

MASON'S
DELICIOUS
O.K.
SAUCE.

Registered as a Newspaper at the General Post Office in the United Kingdom.

Hongkong Daily Press.

報 西

ESTABLISHED 1857

刺 手

15-19 Marina House, Queen's Road Central.
G.P.O. Box No. 1

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HUNDRED THOUSAND CHINESE PREPARED: BUT ATTACK ON CANTON AT PRESENT DIFFICULT

Japanese Occupied Areas In Kwangtung Now Infested With Bandits

CANTON, JULY 6 (REUTER)—THE PRESENCE OF HEAVY CHINESE REINFORCEMENTS WITHIN A RADIUS OF 30 MILES FROM CANTON IS ADMITTED ALTHOUGH IT IS GENERALLY RECOGNIZED THAT AN ATTACK UPON IT AT THE PRESENT TIME WOULD BE EXTREMELY DIFFICULT.

According to Japanese sources, there are Chinese concentrations at Tsengshing, Szeshui, Fakong, Tsung-fa and Tungkun under the command of Gen. Li Hon-wan.

While it is evident that the Japanese have withdrawn some troops as well as some naval vessels from Canton the opinion prevails here among foreign residents that these withdrawals do not indicate a Japanese evacuation of the city, especially since the defences around Canton have recently been strengthened.

It is also stated that Gen. Pai Chung-hsi has 100,000 men under his command ready for an attack on the city from eastern Kwangsi and western Kwangtung. Gen. Chang Fa-kwei, famed commander of the "Iron-sides," is said to have men scattered along the upper reaches of the North River, while yet another Chinese concentration is said to be present along the East River, under Gen. Wu Ki-wei.

Guerrillas In City

With regard to the reported activities of Chinese guerrillas, there is no doubt that there are some armed Chinese in the city itself. They may be termed "bandits" and "looters" for the present, but the opinion prevails that, given an opportunity, these men would turn into guerrillas.

It is a significant fact, according to foreign travellers, that the Japanese occupied areas of Kwangtung are infested with bandits while the unoccupied districts are peaceful.

Another factor which gave rise to the rumours that the Japanese are evacuating Canton was the closing of several small Japanese concerns in the city. The Japanese spokesman explained that this was due to the policy of the authorities in giving equal treatment to all business, and the fact that some small firms found it difficult to carry on business under present conditions.

Transports Leave

SHENKEL, July 6 (International)—For fear of Chinese air raids, all Japanese warships and transports hovering about San Tsoa Island off Chungshan district left there this morning for an unknown destination.

Some Japanese transports and destroyers are seen in Lingtingyang on the mouth of the Pearl River. It is possible that these vessels have a design on Chungshan district, where the militia are ready for an emergency.

A mass meeting was held in Shaukwan early this morning to commemorate the second anniversary of the Shanghai war. High officials and representatives of public bodies made stirring speeches in support of the Central Authorities in carrying on the war of resistance until Japanese troops leave China.

Similar meetings were held in all towns in Kwangtung, and public sentiment ran high in rallying to the cause of the Central Authorities.

-On Other Pages

PAGE 2—Wimbledon results. Henley regatta. Two world records. British Open golf title. U.S. baseball. League tennis.

PAGE 3—Women's interests. Confide in Faith Prior.

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PAGE 8—Leading article: War Enters Third Year.

PAGE 10—Tientsin: Its posts and stamps. The Services.

PAGES 11, 12 and 13—Finance and commerce.

PAGES 14 and 15—Shipping news and directory.

THE DOLLAR

T.T. ON LONDON: 12. 22/224.

T.T. ON NEW YORK: 23/11/16.

From Our Own Correspondent

London, July 6.

London silver prices to-day were

unchanged for Spot and for For-

ward as follows:

July 5 July 6

Spot 17-7/8 18

Forward 17-1/2 17-1/2

MME. CHIANG TO MAKE SPECIAL BROADCAST

CHUNGKING, July 6 (Reuter)—Madame Chiang Kai-shek will make a special broadcast to the United States at 7.30 p.m. Chungking time to-morrow.

The broadcast has been arranged at the request of the American Committee for Non-Participation in Japanese Aggression, of which Col. Henry L. Stimson, U.S. Secretary of State at the time of the Manchurian Incident, is the president.

Meanwhile, the Chinese press will issue special anniversary editions to-morrow morning featuring articles by Generalissimo Chiang Kai-shek; the Finance Minister, Dr. H. H. Kung; the Minister of Foreign Affairs, Dr. Wang Chung-hui; Gen. Pai Chung-hsi, the Chief of the General Staff; Dr. Wong Wen-hao, Minister of Economic Affairs; and other Chinese leaders.

The supplies handed to-day are, however, only sufficient to supply wants for two days.

The entry of Chinese into the Concessions is virtually at a standstill by reason of the rigour of the restrictions imposed by the Japanese, but wives whose husbands are working in the Concessions continue to form up queues at the borders despite the midsummer heat and the protracted delay in gaining admittance to the foreign areas.

In addition to the oil deposits recently discovered in the southwest region of the trans-Danube—the first to be found in Hungary—two new oil pools which are said to be highly productive have been discovered after five weeks drilling of wells. (T.O.)

CHIANG KAI-SHEK'S APPEAL TO FRIENDLY POWERS

China Will Not Cease Resistance Unless Japan Drops Aggressive Policy: Effective Economic Sanctions Urged

CHUNGKING, JULY 6 (CENTRAL)—AN APPEAL TO THE FRIENDLY POWERS TO APPLY EFFECTIVE ECONOMIC SANCTIONS AGAINST JAPAN IS MADE BY GENERALISSIMO CHIANG KAI-SHEK IN A STATEMENT ISSUED ON THE EVE OF THE SECOND ANNIVERSARY OF THE SINO-JAPANESE HOSTILITIES.

Generalissimo Chiang reiterates that China will continue her armed resistance to the aggression of the Japanese militarists for the defence of her national independence and the sanctity of international treaties irrespective of the amount of sacrifices and length of time. Unless the Japanese abandon their aggressive policy, she will not terminate her resistance.

The ambition of the Japanese militarists, Generalissimo Chiang says, is to conquer China as a preliminary step toward conquering the world. While there was much doubt as to the truth of this allegation before the outbreak of the Sino-Japanese hostilities, it has now been proven by fact.

It has been universally admitted that the present state of lawlessness, chaos and anarchy had resulted from the Mukden Incident on September 18, 1931. Since the declaration of Prince Konoye on December 22, 1938, regarding the creation of a so-called "new order in East Asia," it has become more evident that Japan's campaign of aggression in China, no matter what pretext it is carried out, has as its aim to oust the interests of the European and American Powers in Asia and to dominate the Pacific.

BRUNT OF AGGRESSION

Bearing the brunt of Japan's aggression, China, Generalissimo Chiang declares, will continue to defend her national independence and existence in disregard of sacrifices. She believes that her resistance to Japan will not only protect her own independence and existence and frustrate Japan's attempts to disturb East Asia and drive out the interests of third Powers but also contribute to world peace and order and the welfare of mankind. This is why in spite of the brutalities of the Japanese in the past two years, the Chinese masses, now fully realizing the enemy designs, are more determined than ever to resist the aggression. Generalissimo Chiang explains.

With reference to the Japanese threats to the interests of third Powers, molestation of their national and banks, and of their religious, cultural and economic institutions in China, Generalissimo Chiang states that the Powers must not be coerced by Japan and overlook their responsibility of destruction of the property and lives of third Powers in China.

COLLAPSE NEAR

However, if the third Powers will immediately adopt effective economic sanctions against Japan and overrule their responsibility of

DEFEAT OF JAPAN IN CHINA WILL MEAN SECURITY FOR DEMOCRACY IN THE WEST

MADAME SUN YAT-SEN'S ANNIVERSARY MESSAGE TO PEOPLE OF AMERICA

CHINA'S WAR OF NATIONAL RESISTANCE is being fought in the interests of the defence of Democracy throughout the World. It is, in a very real sense, an important sector of the worldwide struggle between the Democratic nations, on the one hand, and the enemies of Democracy on the other, declares Madame Sun Yat-sen, in the course of an Anniversary Message to the people of America.

"This is no idealistic slogan," she continues. "The defeat of the Japanese in China will mean security for Democracy in the Western Hemisphere, the menace to which is now so clearly realized."

The following is the full text of Madame Sun's message:

In response to questions put to me by many American friends, I wish, on this second anniversary of China's national war of resistance, to convey to them, and to friends of democracy throughout the world, some ideas regarding the aims of our present struggle.

As almost everyone knows, China was not prepared for the terrorist invasion launched against her by Japanese imperialism. Her present degree of popular organization and national solidarity developed only with the unfolding of successive stages of the war.

HEROIC SACRIFICES

After the outbreak of hostilities, the heroic sacrifices of the Chinese people, and especially of the armed defenders of the nation, held the powerful modern war machine of Japan for almost five months in the coastal regions, preventing any major advance inland.

Following the loss of Peiping, Tientsin, Tsin-tao, Shanghai and Nanking, our army was still able to rally its forces, preventing for another five months the junction of the Japanese troops advancing from north and south. It was during this period that we won the battle of Talerhchung.

During the half-year that followed, in spite of the fact that the struggle had spread to many far-flung fronts, major Chinese concentrations were able in the Yangtze valley, to engage the main forces of the invaders, far superior to them in armament on land and water and in the air.

The fall of Canton occurred towards the end of this period, followed by the withdrawal from

Continued On Page 8



BODY FOUND IN ROADWAY

Suspected Murder In Shamshuiipo

The body of a Chinese male was found in the street in the Shamshuiipo district last night and murderer is suspected by the police.

The discovery was made in Kee Lung Street, near Yo Chow Street, and the body was later removed to the Kowloon Mortuary.

Details are lacking but it is learned from the police that the deceased was attacked by five men who are at present unknown.

Officers of the Criminal Intelligence Department proceeded to the scene and investigations are proceeding.

Tokyo Militarist Lies Exposed In Appeal

Japanese Urged To Awaken From Stupor And Repent

CHUNGKING, July 6 (Central)—Following upon his appeal to the friendly Powers, Generalissimo Chiang Kai-shek issued late this evening a lengthy message to the Japanese people, calling upon them to awaken from the stupor into which they have been plunged by militaristic propaganda and to save themselves from the mad, grandiloquent aggressive policy which is surely leading them to ruin and destruction.

A year ago to-day, the Generalissimo recalled, he had declared that China's resistance was not only a fight for her own defence and survival, but was also a struggle to assure the mutual happiness and welfare of the two peoples. The Japanese militarists were, the common enemy, not only of China, but also of Japan herself. Twelve months strife since then had

(Continued on back page)

NEW "DAILY PRESS" FEATURE

Beginning to-day the "Hongkong Daily Press" will add a new feature which should be of great interest to stamp collectors. This will appear every Friday. The first article deal with "Tientsin: Its Posts and Stamps," and appears on Page 10.



In the World of Sports



ALL-AMERICAN FINAL AT WIMBLEDON

European Players Beaten By Riggs And Cooke

WIMBLEDON, July 6 (Reuter and Transocean)—The Men's Singles final in the Wimbledon championships will be contested by two Americans—R. L. Riggs and E. T. Cooke. Cooke beat Henkel (Germany) 6-3, 4-6, 6-4, 6-4, and Riggs won almost as he pleased when he beat Puncic (Yugoslavia) 6-2, 6-3, 6-4.

There was a large crowd present yesterday, including the Duchess of Kent, the German Ambassador, Dr. Dirksen.

The German player, Henkel, was obviously not in top form and his usually effective service was not functioning. Cooke took the lead from the beginning, running the score to 4-0 before Henkel found his bearings.

Having won the set at 6-3, Cooke relaxed slightly and Henkel brought the score in the second set up to 4-2 and finally won it at 6-4. In the third set, each player won his service up to the fifth game, then Henkel lost his service and Cooke won the next two games without difficulty, taking the third set at 6-4.

In the fourth set, with Henkel playing a defensive game, Cooke ran the score up to 5-2 without much opposition. Then Henkel showed a dash of his usual form, winning the next two games in rapid succession. With the score standing at 5-4, Cooke launched a brilliant attack, taking the set in the tenth game.

Boring Spectacle

The second semi-final match, between Riggs and Puncic, was a distinctly boring spectacle with neither player moving in to attack.

Riggs finally won 6-2, 6-3, 6-4, his superiority over his opponent being obvious from the beginning. Riggs resorted to tactics of merely keeping the ball in play until the Yugoslav drove it out of court or into the net.

Thus once again, Continental players have not been able to withstand the onslaught of Americans. It is difficult to predict the winner of the singles although many people expect that Cooke will defeat his compatriot, who, however, is considered to be the better player by the ranking body of the United States.

Outstanding Match

The outstanding tennis of the day was played by the veteran French team of Jean Borotra and Jacques Brugnon, who defeated the English favourites, D. W. Butler and D. McPhail, in the quarter-finals of the men's doubles after a five-set battle, lasting nearly three hours.

The Frenchmen revealed again in this match that they never concede victory to their opponents until the last ball has been played.

Following the Englishmen's win in the first two sets, they came into their stride and took the following three sets. The scores were 7-9, 3-6, 6-2, 6-3, 6-4.

Critical Moment

A critical moment came in the fifth set when Brugnon lost his service with the score standing at 4-3 in favour of the Frenchmen. But through brilliant play, combined with the loss of his service by McPhail, the French veterans clinched the match.

Americans gained another success when Bobby Riggs and Elwood Cooke, the two finalists in the singles, defeated H. G. Billington and G. P. Hughes in five sets by scores of 6-3, 3-6, 6-8, 6-2, 11-8 after a long struggle.

Americans Tired

The two Americans appeared to be rather tired from their exertions in the singles semi-finals, and they thus required nearly three hours to eliminate the British pair from the competition.

A British success was scored when J. S. Olliff and Ronald Shayed entered the semi-finals of the men's doubles by beating the Dutch pair, Hughan and Van Swol, in another five-set match by scores of 6-8, 5-7, 13-11, 6-3, 6-2.

THE RESULTS

MEN'S SINGLES (SEMI-FINALS)

Elwood Cooke (U.S.A.) beat Henkel (Germany) 6-3, 4-6, 6-4, 6-4. Bobby Riggs (U.S.A.) beat F. Puncic (Yugoslavia) 4-2, 8-3, 6-4.

HENLEY CENTENARY REGATTA

FOREIGN OARSMEN SUCCEED

HENLEY, July 6 (Reuter)—In torrential rain yesterday afternoon, foreign oarsmen scored a number of successes at the Henley Centenary Regatta.

In the heats of the Diamond Sculls, J. W. Burk, of America, holder of the title, easily beat N. D. Moffat, of Canada, in 10 mins. 18 sec.; R. W. Bates, of America, beat Branco, of Brazil, by one and a half lengths in 9 mins. 59 sec.; Verey, of Poland, beat H. J. Turner of Australia by three lengths in 9 mins. 38 sec.

Westminster again provided a thriller by beating Bedford School by a canvas in the second round of the Ladies' Plate in 7 mins. 30 sec., which is the best time of the day.

Tigre of Argentina, beat the London Rowing Club by one length in 8 mins. 54 sec. in the Wyfold Cup for fours after the London crew had led at the mile post.

Tabor Academy, of America, had an easy win in the first heat of the Thames Cup.

WATER STILL CHOPPY.

HENLEY, July 6 (Reuter)—The weather is again uncertain, being sunny and showery alternately. There is a southerly head wind and choppy water still persists hampering the rowers in the stream fairly strong.

In the heats for the Grand Challenge Cup, Jesus (Cambridge) beat Leander by half a length in 72 minutes and Sydney, Australia, by three feet in 75 minutes.

(FOURTH ROUND)

F. H. D. Wilde and Miss Brown (Britain) beat F. Kukuljevic (Yugoslavia) and Madame Mathieu (France) 6-3, 3-6, 6-3.

C. E. Maifroy (New Zealand) and Miss Betty Nuthall (Britain) beat J. S. Olliff and Miss Jean Nicoll (Britain) 6-3, 7-5.

C. M. Jones and Miss Harvey (Britain) beat C. E. Hare and Miss Batt (Britain) 6-2, 6-4.

(FIFTH ROUND)

F. H. D. Wilde and Miss Brown (Britain) beat Don McNeill (U.S.A.) and Miss Kay Stammers (Britain) 6-4, 3-6, 6-1.

WOMEN'S DOUBLES

Mrs. Fabyan and Miss Marble (U.S.A.) beat Mile Somogyi (Hungary) and Miss Gracyn Wheeler (U.S.A.) 4-6, 8-0, 6-0.

Miss Harvey and Mrs. King (Britain) beat Mrs. Cartwright and Mrs. Little (Britain) 7-5, 11-9.

Mrs. Hammersley and Miss Stammers (Britain) beat Signorina Han Donnino and Signorina Tonoli (Italy) 6-2, 6-2.

A' Division

S. CHINA BEAT UNIVERSITY

South China Athletic Association, challengers for the "A" Division tennis league championship, did not have things all their own way when they visited Pokfulam in a mutually-rearranged match yesterday, the Undergraduates running them to 54 sets to 34. The winners were, however, not at full strength.

Scores:

C. T. Ma and S. Wong (H. K. U.) drew with V. T. Wang and B. Szeo 6-6; beat K. H. Lin and C. K. Than 6-2; lost to A. Chan and J. Hsu 3-6.

T. T. Lam and Peter U (H. K. U.) lost to Wang and Szeo 3-6; beat Lin and Than 6-3; lost to Chan and Hsu 2-6.

H. F. Ong and S. H. Ling (H. K. U.) lost to Wang and Szeo 4-6; beat Lin and Than 6-2; lost to Chan and Hsu 3-6.

CHINESE R.C. BEAT RECREIO 9 - 0

In a "D" Division League Tennis match, played at Causeway Bay yesterday, the Chinese Recreation Club beat Club de Recreio by nine sets to nil.

W. Wu and Cheung (C. R. C.) beat S. J. Remedios and A. E. Noronha 6-2, beat A. M. Alves and P. Ivanovich 6-4, beat J. Gosano and K. Soares 6-0.

H. N. Chau and P. H. (C. R. C.) beat Remedios and Noronha 6-4, beat Alves and Ivanovich 6-2.

W. Wu and Cheung (C. R. C.) beat Gosano and Soares 6-2.

C. Wei and P. F. Lee (C. R. C.) beat Remedios and Noronha 6-0.

Bobby Riggs (U.S.A.) beat F. Puncic (Yugoslavia) 4-2, 8-3, 6-4.

Elwood Cooke (U.S.A.) beat Henkel (Germany) 6-3, 4-6, 6-4.

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Puncic (Yugoslavia) 4-2, 8-3, 6-4.

ENGLISH F.A. TOURISTS WINS

KIMBERLEY, July 6 (Reuter)—The touring English Football association team concluded their eight weeks' tour of South Africa yesterday by defeating Grifield West by ten goals to one.

The tourists have played 12 matches, lost one and won eleven, aggregating 85 goals against 10.

Mickey Fenton, of Middleborough, is the leading scorer of the team with 23 to his credit.

S.C.A.A. SUMMER FOOTBALL TOURNAMENT

Six Teams Enter Competition

The opening of the summer football competition of the South China Athleti Association will take place on Sunday at 3 p.m. at the P.W.D. ground, Causeway Bay.

The ceremony will be performed by Mr. Ngan Shing-kwan, President of the Association.

Six teams will take part in the competition under the respective leadership of Luk Tak-keen, Chan Yee-sye, Lau Tien-sing, Tang Sek-hong, Sam Hong-yeong and Tsang Hee-wing.

Fixtures are as follows:

July 9, Luk's team vs. Chan's, Lau's team vs. Sam's; July 15, Luk vs. Lau; July 16, Chan vs. Tang, Sam vs. Tsang; July 22, Luk vs. Tsang; July 23, Chan vs. Lau, Sam vs. Tang; July 29, Lau vs. Tang, Chan vs. Sam; July 30, Chan vs. Lau, Sam vs. Tsang; Aug. 6, Luk vs. Sam; Aug. 7, Chan vs. Tsang, Lau vs. Tang.

Matches will be played at 4.5 or 5.15 p.m.

U.S. BASEBALL RESULTS

"Cricket" And Baseball

[The Sports Editor, "Hongkong Daily Press"]

Sir.—In your issue of this morning, your baseball correspondent, commenting on the game between U.B. and South China last Sunday, writes:

"Chang gave his best display to date on the mound but could have won for his team had he walked Dave Leonard every time the latter came to bat with men on bases. It is not, perhaps, cricket, but it would have been good baseball."

As you perhaps know, there are only too many people in Hongkong all too ready to run down cricket as a "lousy" game, so as one who thinks otherwise, I want to take this opportunity to thank "R.O.Y." for his tribute to what I regard as the King of Sport.

I have nothing against baseball at all. On the contrary I rather enjoy the good-natured barracking that makes baseball such a lively game, but in cricket, if a Bradman or Hobbs is at the wicket, the bowlers "go for the wicket" and the batsman "starve" the batsman.

"L.B.W."

MR. W. H. CHEN NEW S.C.A.A. MEMBER ON H.K.F.A. COUNCIL

Mr. Walter Hanming Chen, editor of the "Hongkong Daily Press," who is the new honorary general secretary of the South China Athletic Association, was at a meeting on Wednesday evening unanimously elected to represent the South China A.A. on the Council of the Hongkong Football Association. He will take up his duties forthwith.

KOWLOON F.C. BOWLS LEAGUE TEAMS

The following players will represent Kowloon Football Club in their home fixtures on Saturday.

Second Div. v. Kowloon Bowling C. C.:

C. Pila, B. Thomson, J. Gibson

W. Field, W. Groves, A. Eastman

F. Youngusband, T. Ferguson, B.

Evans, W. Simpson, V. Adenya, V.

Chittenden.

Third Div. v. H. K. Elec. Co.:

S. Wong, D. Leatt, W. Excell

V. Petherick, P. Mc Carthy, J.

Ross, R. Hughes, P. Morgan, C.

Woodcock, W. Mills, A. Miles, J.

Smalley.

TO-MORROW

LAWN BOWLS—First Division:

Indian R.C. v. Kowloon B.G.C.

Craigengower v. Kowloon Docks:

Recreio "A" v. Police R.C.

Kowloon C.C. v. Recreio "B".

Second Division: Kowloon F.C.

v. Kowloon B.G.C. Police R.C.

v. Civil Services: Hongkong F.C.

v. Craigengower: Kowloon F.C.

Tong v. Tai Po R.C. Third

Division: Recreio v. Craigengower.

Hongkong F.C. v. Kowloon C.C. v. Hongkong Y.R.C. Electric R.C.

Kowloon F.C.

TWO WORLD RECORDS

INTERNATIONAL SHOOT

LUZERNE, July 6 (T/Ocean)

—The opening day of the International Shooting Championship produced two new world records.

In the individual competition for small calibre rifle shooting T. Maenttari, of Finland, set up a new world's record with a score of 335 rings.

The same score was attained by Stuks, of Latvia, who, however, was assigned second place since Maenttari's hits were slightly closer to the centre of the decimal target.

The team competition was won by the Estonian team with a world's record score of 1,974, while a German team was placed second with a score of 1,968.

It may be pointed out that the shooting authorities recognise only a world record set up at the official world championships and that performances which are recognised as world's records at official championships have in many cases been excelled on other occasions.

Fixtures are as follows:

July 9,

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SUMMER SALE

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CONFIDE IN FAITH PRIOR

BUSTED BUT in love is indeed in a "spot!" The young lady of his choice is descending on Hongkong with her mother and father. They will be here two days. His pocket-book is almost flat, how is he going to entertain this lady who he hopes to marry by the end of a year?

IT'S PRETTY HARD for a man to feel secure and dominant and generously hospitable when he's doing desperate mental arithmetic every time the restaurant check or the taxi or the box office takes another nick out of his dwindling bank roll. If the lady is the real object of his affection, the situation assumes a near tragic connotation in his harrowed spirit.

A clever fellow, with love on his side, and a little ingenuity, can do a great deal to balance his account with Cupid, even though he has to fill in the hiatus in his finances by his wits. You have a car, then plan on scenic tour with a picnic lunch. Be sure you send flowers for the lady's arrival, and a small modest bouquet for her mother. Go to places off the beaten path where you can afford the best the house has to offer if it is but coffee and hot-dogs.

Don't venture into spots where you will be worried over the right side of the menu, instead of enjoying the girl's company. Entertain yourselves. Saturate yourself with interesting information about the city. Offer any of the masculine courtesy that seems reasonable to her father.

If your pocket-book can stand it by the end of the second day, go dancing for an hour or two and leave her with a romantic "wish there was more of it" taste for your company. As a bon voyage gift send a book on Hongkong to her ship. And above all be natural and gay.

BE HONEST

UNDECIDED HAS a middle-aged man in love with her but unfortunately, she does not reciprocate the feelings. The situation has existed for over a year. Now, she is about to marry the man she respects but does not love. Will it work out?

A THOUSAND TIMES NO, do not marry the man. No girl can have a true and exact idea of the demands of married life until she

BAD GRAMMAR

WIFE IS HAVING difficulties with her husband and older son, age sixteen. Both of them "murder the King's English," and do so from lack of thought. They have had good schooling and she can see no reason for this almost total disregard of grammar. What can she do?

These two men in your family may have gone to school, but they absorbed nothing from the years spent there. Words are the pet hobbies of many people throughout the world. There are large numbers of people who cherish their dictionaries and read them religiously. Have your family become word-conscious. Use words they do not hear frequently, and if they do not understand, have them look the meaning up in the dictionary. Try and set an example, change your vocabulary and in so doing, make it different from the usual conversation words, they will have to concentrate to understand, and soon they too will commence to follow you unconsciously. Notice new words used by other people in speaking or writing, look them up in the dictionary, with meaning, spelling, pronunciation and derivation. If you do this systematically you can easily add 5 to 10 words a day. Never, never call attention to your family's grammatical errors in public, and in private be subtle about it.

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FRIDAY'S MENU

BREAKFAST

Peaches and Cream
Cereal
Fruit Cakes
Popovers
Coffees
Iced Tea

LUNCHEON

Tomato Juice, Cocktail
Cole Slaw Salad
Baked Fish
Mushroom Sauce
Eggplant Souffle
Green Peas
Stuffed Celery
Lemon Pie
Iced Tea

DINNER

Crab Cocktail
Asparagus Salad
Chicken Pie
Grilled Onion Slices
Apple Sauce and Ginger Cake
Coffee

WOMEN'S INTERESTS

RED HEADS ONLY

Time was when a redhead considered her hair one of Nature's dubious gifts. But to-day, she enjoys an envied distinction. But, even so, she has her problems.

First of all, the eye-compelling brightness of your hair depends upon its being frequently washed, dried by hand whenever possible, and burnished by daily brushing.

Egg shampoos will help in this business of keeping your hair bright. Two whole eggs, beaten up separately, lathered on like suds and rinsed off with tepid water, will cleanse as thoroughly as soap. There are numerous of shampoo rinses, which range in shade from Titan blonde to deep sapphire, and which you can have applied in most shops to add hypnotic lustre.

Although the brightness added by one application will last over a week, the colouring oils do not alter the natural shade.

SOME TRICKS

If you like to dramatize your coiffure, here are some tricks. Cut the hair so that you can wear it either up or down, and use a copper-tinted brilliantine, like creamy nail polish, to hold it in place and add sparkling colour. To swing it up, brush it all forward toward the brow, smooth it down snugly to the head in back like a cap, then tie it in place with invisible fringey-type of net, concealing the tied pompon cluster of soft curls.

The make-up a redhead uses is very important. If your eyes are hazel or brown, choose rouge and powder with an orange undertone. But if your eyes are green or blue

the colour of shadow makes an interesting contrast with your hair. But, if you want to match your hair, cornelian, copper and topaz-gold shades are nice.

EYEBROW PLUCKERS' NEW HINTS

Powder your brows thickly; then sketch in the brow (as you'd like it) with an eye-brow pencil. Dust off the powder, then pluck along the pencil-line. That's much better than plucking away merrily until there are no brows left.

YOU CAN cut a neat little figure in this plaid-striped play ensemble of washable taffeta. Here's something for you, for the skirt unfolds to reveal impeccably tailored shorts of plain fabric which are attached to the tailored blouse top. With the skirt, you have a sports dress in navy or black with white.

SKIRT AND SHIRT DRESS

The "skirt and shirt costume" is appealing to women all over the world and for two very good reasons. First of all, it is extremely cool, therefore, a "natural" style for summer weather. And secondly, you can have many changes of costume from, say, three skirts and shirts. That is, of course, if you keep your mind on the colour combinations, possible, when purchasing.

The skirt may be pleated, big or small. Then again, it may be cut circular, or gored, but it must be full, not narrow or straight. The waistband of the skirt must be wide and fairly high. Belt tabs are frequently seen on the outside top of the skirt, otherwise a colourful contrasting or blending belt is worn.

SOLID COLOURS

The skirt or blouse is the garment which gives way to a gamut of colours. Stripes, checks, plaids, solid colours with contrasting trim. This shirt may be tailored

or dress, long or short sleeves, intricate design detail or perfectly plainly tailored.

This particular type of fashion

does not only hold a great popularity in the daytime, but is definitely tops in the evenings. This fashion calls for long, full colourful evening skirts in cotton or silk with dainty, handmade blouses and several smart pieces of jewelry.

No doubt, it's the gypsy in you!

BEAUTIES'

Have you been overlooking bicarbonate of soda? Get a fancy bottle and keep some on your dressing table.

Here's what it's good for. A

moist dressing of soda will

take the fever out of the most try-

ing SUNBURN. It's a good

deodorant powder, too, used as a

dusting powder after bathing.

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Silk Stockings

Are Lovelier...Last Longer...

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Manufactured under a special secret process that

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THE NEW AND EXCLUSIVE

BEACH WEAR COSTUMES

"SKINTITE"

FOR

WOMEN & CHILDREN

PRICES \$12.95-16.95



LADIES' SALON

LANE, CRAWFORD, LTD.

ROUND THE SHOPS

One of the thrills for a woman inside is "velva" treated and stands up to hours of wear. There are also the "Daisy" and "Floral" models in this new bathing suit which incorporate five famous features. The brassiere is scientifically designed with adjustable shoulder straps; the front panel skirt, which most women need, but many do not realize; the fast-colour and moth-proof feature; the water-resisting fabric which makes "skintite" the fastest drying garment on the market.

Therefore, the buyers take advantage of the slack month and reduce their merchandise which is won here far into September. But watch your buying or you will be a "bargain borer."

IT'S TRUE \$7.50

Absolutely and positively, the specialty shop of MAYO'S, in the Arcade, are offering a select group of morning and day frocks at the reduced price of \$7.50. If there ever was a bargain, here it is!

Trick styles fashioned in washable materials of linen, percale, cotton-lace, voile, batiste and dotted Swiss. Each frock is an individual. Skirts are gathered, pleated, flared with bodices cut on novelty lines with attractive and gay trimmings.

With such a dress, certain model hats, which you will find reduced in this shop, are worn to advantage, in that they make an exclusive and expensive costume.

Smart cotton frocks for day and afternoon wear are on the "bargain list," as well as acetate

linen cartwheel hat with a rock

having a circular skirt, are two silks in prints and solid colours.

Now is your chance to invest

in two, at least, "skirt and skirt" frocks. This particular style is

ideal for Hongkong, and is one

of the latest fads in fashion.

Smart cotton frocks for the informal occasion are marked half price. This group is composed of nets, chiffons, sheer silk voiles, and laces with complimentary, dressy trimmings.

The "adorable" dancing and

evening costumes will be another

bargain found in this shop. Full

sighted cotton frocks, sheer, light

and "old-fashioned" in design are

definitely the dress for summer

nights. The colours are very

amusing and popular.

Then there are the new hats,

blouses, neckware and un-

usual accessories. Every item

is reduced for the mid-summer sale

and you will not be able to resist

it.

THE SKINTITE

It is a new, exclusive and an

unusual novelty bathing suit and

you can find it at LANE, CRAW-

FORDS.

It splurges in colour and fits the

form with beauty, this suit is

entirely different than any gar-

ment of its type offered in the

local shop and it does things for

your appearance.

The "Satin Skintite." It will

never lose its sheen and will

always be a brilliant item in your

wardrobe.

The "Hawaiian Skintite," with

its exclusive South Sea pattern. The

an exotic colour combination. The

is economical and efficient.

Sold at LANE, CRAWFORD, LTD.

It's
Perfectly
cleaned!
when it's done with
PHOSPHOLENE CRYSTALS

You safeguard both your appearance and your clothes when you clean with Phospholene. One teaspoonful of crystals to a gallon of cold water. It restores colour and life to fabric, lengthens the life of the garment!

Guaranteed as harmless as rainwater to any fabric or to the skin.

It is economical and efficient.



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THE BETTER TEA
OBtainable FROM ALL COMPRAORES

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MANGA INGO, (Mango in OIL), Felix Esmagal, (Tamarind Fish), Boiled Sausages, Pure Olive Oil, Pork Vindaloo, Green Olives. Small shipment only. Please order early. SHING HING STORE, 36A, Hankow Road, Kowloon. Telephone 59786.

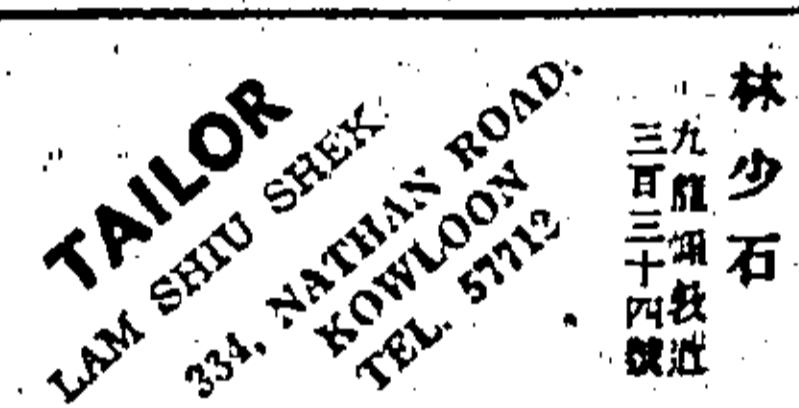


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(Expert Dress-maker)
Also ready-made dresses
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LEARN BALLROOM DANCING:
latest steps from Alex. Moore's
Dancing Studio, London. Apply
Mr. Slip, 36A Queen's Road Central,
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Subscribers and Visitors
advice regarding accommodation available, motorizing facilities, suitable shopping centres, etc.

If, when at home, they will call or telephone to the above address, they will receive the utmost assistance and the latest available information on all subjects of enquiry will be placed at their disposal.

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RELIABLE TAILORING

We have just received a large range of cloths for SUMMER SEASON. Satisfaction Guaranteed.

THE JUBILEE SILK STORE

Specialists in Gents' Wear, Suits, shirts, Pyjamas and Underwear.

31 Nathan Road, Kowloon. Telephone No. 50451

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LOOK!

Hair Cutting, Shaving & Shampooing is only 60 CENTS, in Jimmy's Beauty Salon. Apparatus perfectly sterilized. Expert barbers.

JIMMY'S BEAUTY SALON,
Add: 12, D'Aguilar Street (side, King's Theatre).
Telephone 30147.

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Worried by WHITE ANTS

Plan their Eradication—Consult

Thomas Cowan & Co., Jardine, Matheson & Co., Ltd.
Agents in:
Queen's Building, Hong Kong—Canton—Swatow—Foochow
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CAN YOU DRIVE A CAR?

ABILITY TO DRIVE is not only an ASSET but a NECESSITY in these times. Come to us for EFFICIENT and INEXPENSIVE TUITION.

THE HONGKONG SCHOOL OF MOTORIZING, LTD.
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GREATEST COLLECTION OF
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LAMMERT'S AUCTION ROOM
London & Bazaar, 18, Nathan Road,
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LADIES TAILORS

READY MADE DRESSES FOR SALE.
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31, NATTIAN ROAD
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HOTELS

MARBLE HALL (and Annexe Private Hotel). 34, Granville and 103, Austin Roads, Kowloon, tennis courts. Beautiful garden. Rooms and suites with private bathrooms. All modern conveniences. Apply proprietress, 103, Austin Road. Phone 50233 and 34, Granville Road. Phone 59433.

METROPOLE HOTEL CENTRAL - CLEAN - COMFORTABLE. All Rooms with Private-bath from \$8 per day. Meals at all hours. Large Dining Hall, coolest in Town. Fully licenced. TEA DANCE Every Tuesday, Thursday, Saturday & Sunday, 5 to 7.30 p.m.

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LADIES' TAILORS
SUMMER DRESSES

SALE & MADE TO ORDER
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Specialised
DEVELOPING & ENLARGING
for your miniature films
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ALL MACHINERIES, ENGINES, BOILERS, TOOLS, etc.

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Full particulars apply to—
Mr. Ma To Sang, of Man Loong Ginger Factory, Lot
No. K.L. 1928, Bedford Road, Tai-kok-tsui, before 10 a.m.
or after 4 p.m. daily. Telephone 57088.

YAU SHING CO.

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If there is anything you want to buy or sell,
try a small Classified advertisement in the
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25 words \$1.00 prepaid for 3 insertions.

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It's SMART as a WHIP
It's so very young LOOKING
It's Fashion-Right for NOW—
Call on us and let us demonstrate to you.

THE SHANGHAI SUN FAT COMPANY.

EXPERT LADIES' TAILORS
No. 30, Nathan Road, Kowloon.
Telephone No. 56846.

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YOU CAN OBTAIN SAFELY

AT 39 QUEEN'S ROAD C.
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SHANGHAI CENTURY CO.

Do not MISS your OPPORTUNITY while in HONGKONG
COME and SEE the WONDERS that
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NEPTUNE PRODUCTS COMPANY

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Trunks can be obtained from
UNIVERSAL TRUNK CO.
at 2(1/2)% to 3(1/2)% disc. (for 1 month only).
12, Des Voeux Rd. C, White House Bldg.
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SILVER JUBILEE STAMPS
of British Colonies
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Complete set mint for \$300
Complete set used for \$400
GRACA & CO.
Dealers in Postage Stamps,
Gardens, seeds &c.
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Established 1896. Hong Kong.

SUMMER CLOTHES

Women's, Men's & Children's

WANTED URGENTLY

HONGKONG BENEVOLENT SOCIETY

Monday & Thursday
ICE HOUSE STREET
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WOMEN'S PAGE

Join the Smart Set!



NEWSETTES

Millions of smart, well-groomed men use Brylcreem. It keeps the hair in place all day, without the use of gum, soap or starch, and frees the scalp from dandruff. Get Brylcreem yourself!

BRYLCREEM

THE PERFECT HAIR DRESSING
SOLE DISTRIBUTORS
A. S. WATSON & CO., LTD.
WHOLESALE DEPT. TEL. 31251

Mr. W. S. T. Louey, General Manager of the Kowloon Motor-Kong Bus Co., returns to Hongkong today in the s.s. Taiping.

The Rev. T. C. Wu, general secretary of the Chinese Mission to Lepers in Shanghai, sailed for Haiphong in the s.s. Wingsang.

Mr. J. McCaig, of Messrs. Jardine, Matheson & Co., passed through Hongkong in the s.s. Wingsang on his way from Shanghai to Haiphong.

Mr. R. de Vos, managing director of Marstrand (Hongkong) Ltd., accompanied by Mr. R. de Vos Jr., sailed for Haiphong in the s.s. Wingsang.

OFF TO OFFICE!

OFF TO SCHOOL!



Alert in body and mind

BEFORE your husband sets out for the day, before your children leave for school, before you yourself commence the daily round—drink a cup of delicious "Ovaltine."

A complete and perfect food, delicious in flavour and incomparably nourishing to body, nerves and brain, "Ovaltine" is not only a delightfully appetising beverage but one which builds up energy and strength, physical stamina and mental alertness. A regular cup of "Ovaltine" is a promise of daily good health for every member of your family.



Prepared from Nature's finest tonic foods—ripe barley malt and fresh, creamy cow's milk, together with valuable natural phosphatides and vitamins—"Ovaltine" supplies in correctly balanced and highly concentrated form all the nourishment necessary to build up and maintain glorious good health. Remember, too, that a cup of "Ovaltine" just before bed-time is the world's best "night-cap" for sound restorative sleep.

Drink delicious

OVALTINE

and note the difference



"Ovaltine" is packed in 4, 9 and 18 ounce tins. Compare these weights with imitations. "Ovaltine" gives more in quantity as well as more in quality. It is the best and most economical beverage you can buy.

Make "Ovaltine" your regular bedtime beverage. You will feel better, look better and work better.

SSCW

Distributors: JARDINE, MATHESON & CO. LTD.

China's Girl Guides

WARTIME SERVICE FOR NATION

CHUNGKING, July 6 (Central)—The total number of guides registered with the National Boy Scouts and Girl Guides Association of China now stands at 78,793, of whom 2,411 are serving with their brothers at the fronts.

The majority of these guides are doing less spectacular, but equally important, back-area work, such as collecting funds, clothing and medical supplies, pushing wartime literature, giving moral encouragement to the wounded, carrying messages. They are divided into 338 units, with an average of 233 persons per unit.

Tales of Heroism

Many tales of the heroism of girl guides have been reported to the Association's Headquarters in Chungking. At the Nanchang front, in March, for example, one of the girl guides, Miss Wang Shun-wen, remained at her post to the last moment and was captured by a Japanese tank unit, never to be heard of again.

Another guide, Miss Li I, a member of the same unit, was shot and wounded in the chest by the Japanese because she too remained at her post to the last. Although two of her ribs were broken, she was fortunately rescued by her comrades who carried her away to a hospital northwest of Nanchang where she is still receiving medical treatment.

Wartime Work

Those working in the rear lines are busy with wartime work. In Chungking one of their activities has been the soliciting of 20,000 "comfort" letters for Chinese soldiers fighting at various fronts. The girl guides, in their own "comfort" letters, enclose self-made handkerchiefs, "drawings" and photographs. These letters, together with 480,000 others, will be dispatched to the fronts by the government authorities.

WOMAN COMMANDER FOR AUXILIARY TERRITORIAL CORPS

LONDON, July 6 (BWS)—The War Office announces that Dame Helen Gwynne-Vaughan has been appointed Director of the Auxiliary Territorial Service Army Branch, with the rank of Chief Controller.

The formation of the Auxiliary Territorial Service was announced in September last. The corps of women was created to release them from performing certain military duties. The force is now organized and it is felt, that the present juncture is opportune for it to be administered and controlled in future by a woman commander and staff in the War Office.

The strength of the service is now 912 officers and 16,547 members.

Dame Helen Gwynne-Vaughan is Professor of Botany in the University of London. She is best known to the general public, however, as Chief Controller of Queen Mary's Auxiliary Corps with the British Armies in France during the Great War and later as Commandant of the Women's Royal Air Force.

A preliminary exhibition of paintings and designs by Miss Liang Pao-tee, director of the China Industrial Art Centre, will be held at the St. Francis Hotel on Monday, at 5.30 p.m.

Further progress has been made in London with the organisation of transport in time of war. A scheme for the control of road passenger services and their rationing with petrol has now been made public by the Minister of Transport.

A series of trips have been planned for the new German airship "Graf Zeppelin" during July. No passengers will be carried on these cruises which are being undertaken in order to show the new airship to the German people in different parts of the country. Landings at various towns and air displays have been arranged. (T.O.)

CATHEDRAL WEDDING

PRETTY SUMMER BRIDE

At St. John's Cathedral, yesterday afternoon, at 3.30, one of the summer's prettiest brides, Miss Katherine Mok, took her vows of marriage with Mr. Louis Li.

The Rev. A. P. Rose officiated at the wedding ceremony, and the Chinese choir of St. Mary's Church provided a background of music. Mr. J. R. M. Smith was at the organ.

The bride, daughter of Mr. Kock Hing Chin, of Hongkong, was escorted to the altar by her father. Her bridal costume was fashioned from white slipper satin, tailored with a high neck gathered bodice, the deep waist line merging into a full draped skirt with a slight train. A long white silk tulle embroidered veil was caught to her head by orange-blossoms.

Miss Mok carried a bouquet of white lilles and greens.

Attending the bride was her sister Miss Mok Shuk Yin, her frock was a floor length, pink silk net fashion.

Mr. Li was attended by his brother, Mr. Li Shiu Hong.

After the church ceremony, a reception was held in the Roof Garden of the Hongkong Hotel.

RAINCOATS

by

"Simpson's of Piccadilly"

These Raincoats not only fit smartly but are absolutely waterproof.

Price \$49.50
Less 10% Cash Discount.

Poplin Raincoats,
that are light in weight
Price \$29.50

Light-weight
Rubber Waterproofs
Price \$14.75
Less 10% Cash Discount.

UMBRELLAS

All sizes now in stock with or without a belt.

Wm. POWELL, Ltd.

10, ICE HOUSE STREET.

AT REPULSE BAY

UNRIVALLED BATHING FACILITIES

CABINES DE LUXE

(providing accommodation for 12 persons)

Sundays &

Holidays \$10.00 per day maximum
Other days \$5.00 per day maximum
Prepaid Reservations for Sundays and Holidays effective
at the Hongkong or Peninsula Hotel Reception Offices.

PRIVATE COMPARTMENTS

(maximum accommodation for 2 adults & 2 children)

\$1.00 per day.

RESTAURANT

and

BAR BASQUE

RESERVATIONS PHONE 31221 "LIDO"

GIFTS

Don't Forget to pay a visit

to

Our Newly Extended Departments:

Piece-goods, Furnitures, Clocks, Leather

goods and Electric apparatus on

the first floor of our Premises

and get

your valuable Gifts.

Chance given to everybody,

don't miss your opportunity!

CHINA PRODUCTS CO. (HONG KONG) LTD.

Most up-to-date Department Store

24 Des Voeux Road, Central

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20972

TENANTS SUE LANDLORD

DAMAGES CLAIM FOR \$1,000

The tricks alleged to be adopted by certain landlords to gain possession of their property were strongly denounced by Mr. M. A. da Silva, in the Summary Court yesterday, when he appeared for three tenants, Shum Yin-tong, Yung Kwong-chuen and Chow Tat-hing, of Nos. 326-8, Laichikok Road, who claimed damages not exceeding \$1,000 from Lee Cho-chuen and sought an injunction restraining further demolition of the premises.

Mr. Silva said that in pursuance of what he might call a trick, when various landlords were adopting in order to obtain possession of their houses, which method could only be classed as ulterior, defendant gave notice to plaintiffs to quit in December last on the ground that he intended to convert the premises from wooden structures to cement concrete houses.

The premises, however, were in fact of cement concrete, said Mr. Silva, so there was no need for alterations.

Besides plaintiffs, about 100 persons living on the premises were affected by the notice. These people tried their best to secure alternative accommodation, but were unsuccessful, and later, when they pointed out to the rent collector that no alterations to the premises seemed to be necessary, they were allowed to remain. On April 4, however, another notice was sent to the tenants to quit.

After Sin Tsang-shi, principal tenant of the ground floor of No. 326, Laichikok Road, had given evidence, the case was adjourned.

Mr. D. McCallum appeared for the defence.

SURPRISE RAID: ALLEGED FIND OF HEROIN PILLS

A surprise raid by a party of Revenue Officers on Room 213, Tai Koon Hotel, Des Voeux Road Central, on June 27, resulted in the arrest of an unemployed man, Wong Kum, who was charged with the possession of 30,000 heroin pills before Mr. R. A. D. Forrest at the Central Court yesterday, when committal proceedings were commenced against him.

When the Revenue Officers arrived, the defendant was found in the room with a small boy. Packets of heroin pills were alleged to have been found in the place while one packet was discovered in the bed under a blanket.

Defendant, in his statement to the police, said he was in the room visiting a friend who was out.

The hearing was adjourned for this morning when the boy will be called to give evidence for the defence.

ILL-TREATMENT ALLEGED

Bail of \$250 was allowed Lam Tat-sam, 39, master of the Lam Tai Shim Boot Shop in Temple Street, when he appeared before Mr. Q.A.A. Macfadyen at the Kowloon Court yesterday on a charge of ill-treating a boy, Hau Wai-man, aged 16. Lam is alleged to have tied the boy with a length of wire and to have applied a piece of burning firewood to his legs. The case against Lam will be heard on Monday afternoon.

Peter Sheung Wai-sung, manager of the Chinese Business Department of Messrs. Millington, Ltd., was sentenced to three months' hard labour by Mr. R. Edwards, at the Central Court yesterday, on charges of fraudulent conversions of sums totalling \$200. Mr. F.G. Nigel prosecuted.

MAGISTRATE AS COMPLAINANT

Chinese Fined For Dangerous Driving

Mr. R. A. D. Forrest, Senior Magistrate, Hongkong, was the complainant in a case before Mr. R. Edwards at the Central Court yesterday when a private car driver, Wong Yim-lam, was charged with driving a vehicle in a dangerous manner.

Wong pleaded guilty to the charge and told the Court that he was only a substitute chauffeur.

Mr. Forrest said that on June 29, he was driving along Stubbs Road and Repulse Bay Road, following the defendant's car. He wanted to overtake the defendant, but was prevented from doing so as the defendant drove along the centre of the road. On several occasions he sounded his horn to indicate that he wanted to pass, and on each occasion the defendant stopped him from overtaking, although the road ahead was clear.

Mr. Forrest stressed that if he had attempted to overtake, the defendant under such conditions, he would either have crashed into defendant's car or the hillside.

A fine of \$25 was imposed.

COLONY HEALTH RETURNS

Twenty-nine cases of tuberculosis and eight cases of cholera were notified to the Health Department on July 5, in addition to six cases of enteric fever, four cases of measles, three cases of dysentery, and one case each of diphtheria, cerebro-spinal fever and puerperal fever.

NO UNTOWARD INCIDENT

Starting rumours have been in circulation following the failure of Hongkong Revenue officers to board the s.s. Canton Maru on a recent trip from Canton.

Inquiries reveal that the Revenue officers intended to board the vessel to undertake a normal search but were prevented from doing so as the ship had the status of a government vessel.

Owned by the Osaka Shosen Kaisha, the Canton Maru is under charter to the Japanese Government.

It is definitely established that there was no untoward incident, as suggested by rumours.

AIRPORT NEWS

Imperial Airways:

NORTHBOUND
Monday: Bangkok, Hanoi, Hong-kong.

Dardans, Durado—4 and 5 p.m.

SOUTHBOUND

Tuesday: Hanoi, Bangkok, Denebola—7 a.m.

Air France:

NORTHBOUND

Wednesday: France, Hanoi, Hongkong, Service—12.30 p.m.

SOUTHBOUND

Wednesday: Hanoi, France, Service—2 p.m. (same day).

Pan American Airways:

EASTWARD

Wednesday: U.S.A., Manila, Hongkong.

Philippine Clipper—2 p.m.

WESTWARD

Thursday: Manila, U.S.A.

Philippine Clipper—8.30 a.m.

Appearing on remand before Mr. R. Edwards at the Central Court yesterday charged with assault on Chan Tak-chi, fok of the Sino-German Dispensary, with intent to rob him, and possession of a revolver and five rounds of ammunition, Lau Man-chi, a Swatow Chinese, was committed to stand trial at the Criminal Sessions.

GENERAL



Mr. Louis Li and his bride, formerly Miss Katherine Mok, after their wedding at St. John's Cathedral yesterday afternoon. (Photo, Ming Yuen).

BOYS' AND GIRLS' CLUBS IN COLONY

REPORT FOR 1938 ISSUED

The Annual Report of the Boys' and Girls' Clubs Association for 1938, which has just been issued, gives an interesting account of these institutions, which, by its own definition are "not only an attack on one of the major problems of poverty but teach the art of community life and make a vital contribution to the moral, physical and educational welfare of their members."

The accounts given of several representative clubs vividly illustrate the work that is being done. They show that membership is, as a rule, composed of boys who are forced to earn their living at an age when they should be at school. Boys are, where possible, apprentices in various trades. Where this is impossible, licences are secured for them to sell newspapers and operate shoe-shine stands. Girls are taught to be good house-hold servants. Providing, in the words of one report "a class of refined labour, well disciplined and well equipped with the knowledge essentially required in all households in the colony."

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Girls are taught to be good house-hold servants. Providing, in the words of one report "a class of refined labour, well disciplined and well equipped with the knowledge essentially required in all households in the colony."

Education includes the teaching of Chinese and English, arithmetic, first aid and hygiene, as well as, for the girls, cooking, sewing and general housework.

Recreation is provided in the form of ping pong, simple gymnastics and drill, handwork of various kinds, and singing. Football is popular and inter-club games are an attraction. Indoor expeditions and bathing picnics have been arranged.

The clubs usually have quarters at their disposal. However, one Y.M.C.A. group in Kowloon reports that "as premises are so hard to get, five groups of boys meet in the streets under the supervision of leaders. Activities are necessarily limited, but singing, games and simple instruction have already been undertaken."

Eight boys' clubs and three girls' clubs are described. Unfortunately, individual reports are not uniform and no attempt is made, for instance, to give the total number of children enjoying their facilities.

Three of the clubs have paid leaders.

The Association is under the patronage of H.E. the Governor. The Rt. Rev. Bishop Hall is President, the Sir Robert Kotewall and the Hon. Mr. S. Caine, vice-presidents. The Hon. Treasurer is Mr. Kwock Chan, c/o the Banque de l'Indo Chine and Mr. J. Middleton

statement shows a satisfactory financial position during 1938.

HONG KONG TIDE TABLE

From 7 to 13 July 1939

Day of Month	High Water	Low Water		
		Hong Kong Standard Time	Height	Hong Kong Standard Time
Fri. 7	h. m.	8.10	4.5	10.54
		0140	5.9	19.20
		1145	6.9	1.6
		0207	4.8	0.44
		1225	6.4	1.52
		0238	4.7	0.53
Sat. 8		1310	4.9	20.85
		0110	5.0	19.23
		1415	4.4	2.6
		0301	5.4	11.23
		1545	4.0	21.36
Sun. 9		0425	5.4	1.25
		1731	3.7	22.21
		0522	6.8	13.21
Mon. 10		1910	3.7	23.31
				3.1
Tues. 11				
Wed. 12				
Thur. 13				

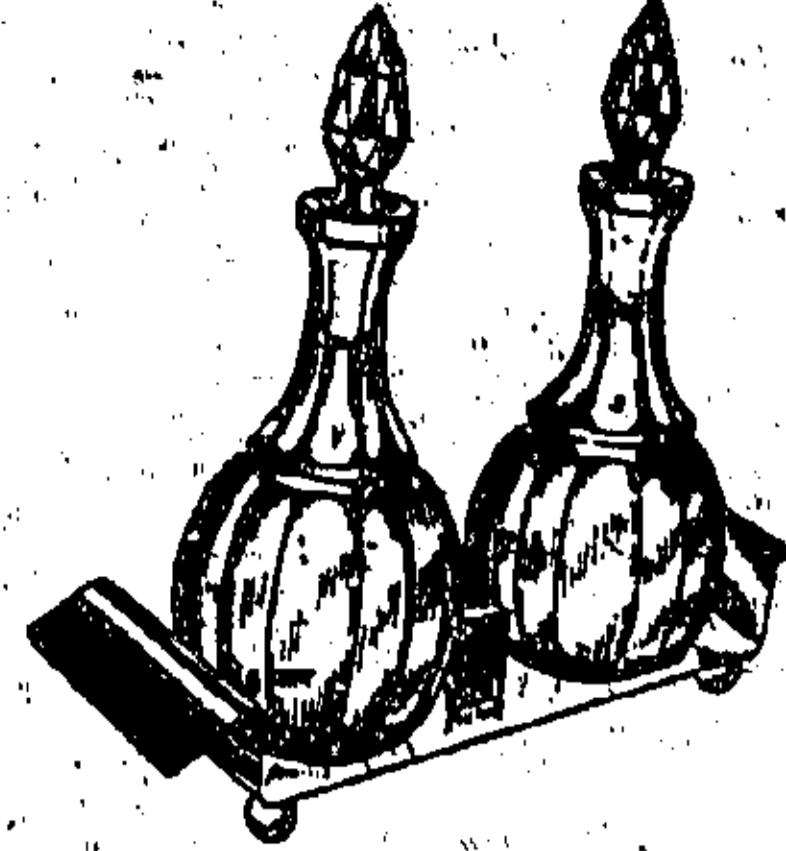
Smith and the Rev. A. P. Rose (St. John's Cathedral) are joint honorary secretaries.

The Association's financial statement shows a satisfactory financial position during 1938.

By J. MILLAR WATT



NOVELTIES IN GLASS AND CRYSTAL



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Glass Bottles on a Chromium Stand
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On a Glass Tray with various coloured tops, orange, green, red and white
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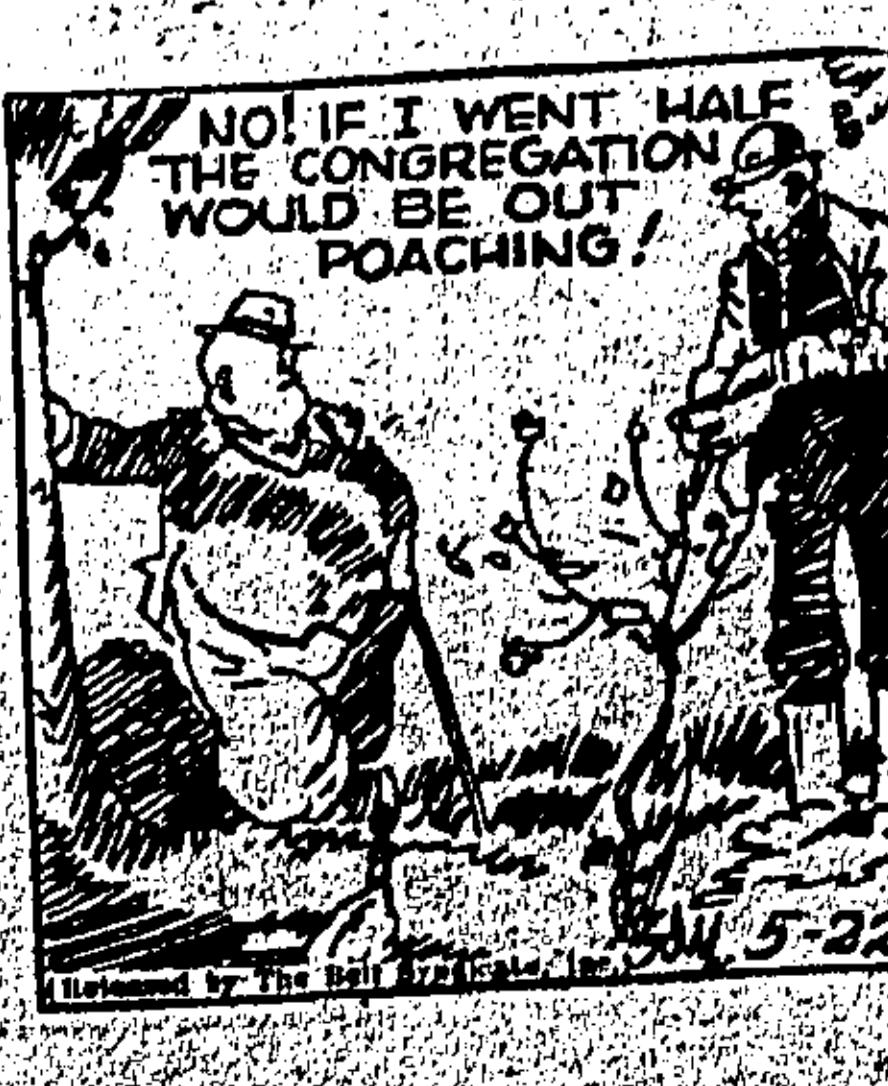
ROSY FINGERS BRING ROSY FUTURES

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POP—THE WARDEN KNOWS HOW TO FILL THE CHURCH



NEW ADVERTISEMENTS

NOTICE

Notice is hereby given that MARK AKIM YAROGSKY-EROOGA, also known as MARK AKIMOVITCH YAROGSKY-EROOGA, of May Hall, Hong Kong University, is applying to the Governor for naturalization, and that any person who knows any reason why naturalization should not be granted should send a written and signed statement of the facts to the Colonial Secretary, Hong Kong.

The Daily Press

報章

Editorial and Business Office: 15-19, Queen's Road Central, Tel. 30251.
Night Editor (Wanchai Office): Tel. 24511.
London Office: 53, Fleet Street E.C.4.

HONGKONG, JULY 7, 1939

WAR ENTERS THIRD YEAR

THE SINO-JAPANESE WAR to-day enters its third year with no sign whatever of China, giving up the struggle and with the invaders as far away as ever from their objective of beating China to her knees. What the Tokyo militarists had dreamed would be a matter of but two or three months has proved to be a long-drawn-out war of resistance in which the Chinese people have surprised the world by their grim determination to resist to the very end, by their stoicism and by their gallantry in the face of steel and fire.

GENERALISSIMO Chiang Kai-shek and the Chinese forces have exploded the myth of the might of Japan's military hordes and, in spite of the fact that China is considerably inferior to Japan so far as modern military equipment is concerned, Japan's territorial gains are extremely disappointing when one takes into consideration the immense losses which the invaders have suffered in men, money, and equipment. On the contrary, the net result is not so unsatisfactory.

Intending bidders are advised that immediately after the disposal of the lot the Purchaser (if not the applicant) will be required to deposit with an authorised officer who will be present at the sale, the sum of two hundred dollars, (\$200) in cash. This sum will be refunded on payment of the Purchase price.

PARTICULARS OF THE LOT

No. of Sale.	Reg. No.	Boundary Measurements.	Contents in Square feet.	Annual Rental.	Open Price.
1	New Kowloon Island Lot No. 2702	Adjoining New Kowloon Island Lot No. 3638, Castle Peak Road, Shatin, Tsing Yi.	11,445	106	7,530
		As per sale plan.			

530

PUBLIC AUCTION

PARTICULARS AND CONDITIONS of the Sale by Public Auction to be held on Monday, the 10th day of July, 1939, at 3 p.m., at the Offices of the Public Works Department, by Order of His Excellency the Governor of one Lot of Crown Land at Shamshui Po, in the Colony of Hong Kong for a term of 75 years, commencing from 1st July, 1898, with the option of renewal at a Crown Rent to be fixed by the Surveyor of His Majesty the KING, for one further term of 24 years less the last three days thereof.

Intending bidders are advised that immediately after the disposal of the lot the Purchaser (if not the applicant) will be required to deposit with an authorised officer who will be present at the sale, the sum of two hundred dollars, (\$200) in cash. This sum will be refunded on payment of the Purchase price.

IN THE NORTH, the Eighth Route Army has, time and again, proved its mettle. Together with the guerrilla forces now scattered all over China, these brave men have been harassing their enemies and giving them much food for thought and worry, so much so that the Japanese must have wished they had never undertaken the mad military adventure.

IN MANY RESPECTS, the war has been a blessing in disguise to China. First and foremost, it has resulted in the complete unification of the Chinese people, the deflection of Wang Ching-wei and other traitors to their nation notwithstanding. Then, despite the destruction wrought in the industrial areas, it has started the ball rolling for a powerful industrial co-operative movement such as probably would not have been seen for decades had it not been for the war. Furthermore, the blockade showed China the futility of depending on her sea coast, with the result that she has succeeded in completing other lines of communication with the outside world, such as the Burma-Kunming and Great Northern Highways and other

JAPAN'S ANTI-BRITISH CAMPAIGN

VILLIFICATION IS CONTINUED: MISSION PROPERTY PILLAGED

PEIPING, July 6 (Reuter)—The villification of things British continues in all the Japanese-controlled newspapers in North China.

One journal to-day declared that the British authorities were secretly instigating Chinese bandits to disturb the Japanese rear under British direction, as well as supplying them with arms, though how this is possible with the Concession blockaded is not explained.

CAMEL, LAIRD WITNESS TELLS OF ESCAPE

Owed His Life To Stoker Arnold

LONDON, July 6 (Reuter)—The inquiry into the loss of the submarine *Thetis* in Liverpool Bay on June 2 was continued this morning when Mr. F. Shaw, representative of Cammel, Laird and Co., who built the vessel, and one of the four survivors of the disaster, gave evidence.

Mr. Shaw said that he thought it was not wise to send the four men through the escape chamber as there was hardly room for them to move and they could not open the hatch.

He (witness) had no difficulty in using the Davis apparatus and he immediately shot out of the chamber and was on the surface of the water very quickly.

Mr. Shaw said that he owed his life to the assistance rendered him by Leading Stoker Arnold, who escaped at the same time. Arnold gave evidence yesterday.

Some of the missionaries were directly threatened, while the missions and churches were plastered with anti-British posters, one document advocating "a return to the measures of 1900."

Much of the Japanese campaign is being directed personally against Mr. Jamieson, the British Consul in Tientsin.

Statements by British missionaries arriving from Shansi make it abundantly clear that the alleged anti-British movement there is Japanese directed, while at least three Japanese were seen to be participating in the pillaging of the mission property.

Some of the missionaries were directly threatened, while the missions and churches were plastered with anti-British posters, one document advocating "a return to the measures of 1900."

TULSA WIN AT TEN PINS

A friendly match was played at the Hongkong Bowling Alleys yesterday evening between the "Champs" and U. S. A. Tulsa.

It resulted in a win for the Tulsa by 17 pins after a very keen struggle in which the "Champs" at one stage were leading by 50 pins.

Scores:—
The "Champs": E. R. Hearther, Doc. Mothen, E. Faggiano and D. Venezia 3239; U. S. A. Tulsa: Spenko, Michals, Schreier and Peterson 3256.

Plan Of Action Decided Upon By Poland

ANOTHER BRITON ARRESTED

HANKOW, July 6 (Reuter)—It is reported that the Japanese have arrested and are detaining a Briton, Mr. C. Winterbottom, Chief Officer of a British merchant vessel, "for insulting behaviour."

Neither the British Consulate nor the ship's owners were aware of the arrest, but Mr. Winterbottom did not return to his ship.

STRONG PROTEST LODGED

SHANGHAI, July 6 (Reuter)—Japanese consul officials at Hankow to-day lodged a strong protest with the British Consulate-General against the attacks on the offices of a Japanese newspaper by Mr. C. Winterbottom and three other British members of the crew of the British steamer *Changsha*, who were alleged to have been incensed by the strong anti-British tone of the journal.

According to a semi-official Japanese report, the protest also requested the payment of compensation to a Chinese employee of the newspaper who is alleged to have been injured during the attacks.

FARMERS DINE WITH KING

LONDON, July 6 (Reuter)—The King gave a dinner party at Windsor Castle last night to 100 persons from the Royal Agricultural Society, who were farmers and delegates from other countries. The King knighted the honorary director of the show.

£32,000,000 FOR DEFENCE OF AUSTRALIA

CANBERRA, July 6 (Reuter)—The Prime Minister of Australia, Mr. R. G. Menzies, told the Finance Committee that the Commonwealth Government is spending £32,000,000 for defence in 1939-40 as compared with £14,000,000 last year.

new roads between China and French Indo-China.

THOUGH Japan's modern military machine has been ruthless in raining death and destruction on an innocent people and on open cities, and though the horrors, barbarities, indecencies and lawlessness which Japan's aggression has brought in its train have been both incredible and revolting to the civilized world, the Chinese people refuse to submit to terrorism. Japan's reign of terror cannot break China's morale or her national soul; it will only serve to harden their will to resist.

And, in the end, right and justice will prevail over might and world peace and order will be restored.

HOLDERS BEATEN AT HENLEY

Harvard Favoured For Big Event

HENLEY, July 6 (Reuter)—Harvard University of America defeated London (holders) in the heats in the Grand Challenge Cup at the centenary Henley Royal Regatta to-day, while Argonaut (Canada) beat Thames by half a length. Harvard won by two lengths.

The draw for the semi-finals is as follows:—Sydney v. Argonaut; Jesus v. Harvard. The last named are strongly fancied after their brilliant row to-day.

In the Ladies' Plate heats, Trinity Hall (Cambridge) beat Westminster School by one length. The weather was cold and cheerless after lunch and racing was resumed in a steady downpour.

(Earlier results—Page 2)

GERMAN DENIAL

BERLIN, July 6 (Reuter)—A semi-official denial has been issued here of reports that Germany is delivering arms to China.

SYMPATHIZER.—Your letter has been held over owing to lack of space.—ED.

EDITORIAL

H.K. PLANS PATRIOTIC ACTIVITIES

FULL PROGRAMME FOR TO-DAY

A full programme of patriotic activities has been planned by Hongkong Chinese to mark the second anniversary of the Lukouchiao Incident, which precipitated the present hostilities between Japan and China.

The Federation of South China War Relief Organizations has organized a sale of flowers to-day. A total of 300,000 paper blossoms have been manufactured, and 270,000 had already been allotted yesterday. Volunteer sellers from 120 Chinese public bodies and 70 schools have offered their services.

Flags at all Chinese business houses and public places will be flown at half-mast to-day, while at noon a three-minute silence will be observed as a mark of respect of the war dead.

Chinese in the Colony, in common with their compatriots in other parts of the country, will abstain from meat throughout the day, and vegetarian dishes only can be obtained at restaurants and eating houses.

MASS MEETING

A mass meeting will be held at the Kowloon Tong recreation ground, the programme lasting from 9 a.m. to noon. Mr. To Kiu-cheng will preside over the ceremonies, while among the speakers will be Mr. Hsu Shih-ying, former Chinese Ambassador to Japan and Vice-Chairman of the National Relief Association.

Hongkong Chinese students will hold memorial meetings where addresses will be delivered by various leading citizens and officials.

The Fong Lam Middle School, near Blake Gardens, will be the scene of a meeting of all male students at 7 p.m. to-night while girl students will meet at the same time at the Hua-Nan Middle School, Nathan Road, Kowloon.

Younger schoolchildren will meet at the same time at the St. Paul's Girls' College, Macdonnell Road, at 7 p.m.

Newspapermen To Meet

At 9.30 a.m. to-day, a meeting of Chinese newspapermen and refugee literati will be held at the Central Theatre, where an address will be delivered by Mr. Wang Leng-tse, former mayor of Wan Ping Tsien, near Peiping. Mr. Wang came into prominence during the Lukouchiao Incident when he ignored the Japanese demands.

Chinese Christian women will meet at the Y.W.C.A. at 7.30 this evening to offer prayers for the country, while all Chinese churches in the Colony will observe a special Prayer Day during the coming Sunday.

The Y.M.C.A. is sponsoring an Oxfam Gold campaign, and members will during these few days undertake to collect gifts of money or kind amongst their friends.

The Chinese Chamber of Commerce is also sponsoring a campaign to sell National Salvation Bonds.

When the bonds were first issued, it was expected that Hongkong would absorb \$10,000,000.

This figure has not been reached there being about \$2,000,000 worth of bonds allotted to Hongkong not yet sold. It is hoped that the \$2,000,000 worth will be sold within a week from to-day.

Tradespeople are also doing their part in helping to swell the war chest. Hawkers will contribute all their earnings to-day to the Chinese Government, while many restaurants, theatres and shops are doing likewise.

West Point sing-song girls, escarpeaux girls and dancing hostesses are also contributing their earnings to-day to help the country.

BULGAR PREMIER SEES HITLER

BERLIN, July 6 (Reuter)—The Bulgarian Prime Minister and Foreign Minister, who arrived here yesterday, had an hour's conversation with Herr Hitler this morning. Herr von Ribbentrop, Reich Foreign Minister, was also present.

Herr Hitler later received the Chief of Staff of the Hungarian Army.

(Earlier results—Page 2)

CORRESPONDENCE

SYMPATHIZER.—Your letter has been held over owing to lack of space.—ED.

FRIDAY, JULY 7, 1939

Anniversary Message By Madame Sun Yat-sen

Continued from Page 1

in the interests of the livelihood of the people.

RULE BY THE PEOPLE. What will be the distinguishing features of this Republic? Dr. Sun Yat-sen advocated that the Chinese Republic be based on direct rule by the people through their elected representatives. The basic or district must be the basic unit of self-government as well as the constituency for electing delegates to the National Assembly.

NO SUBSTANTIAL ADVANCE. During the roughly nine months which have elapsed between November and the present time, the Japanese have not made any substantial advance on any front, although at the end of March Nanchang fell into their hands. But even in this region, Chinese counter-attacks have succeeded in bottling up the enemy. A series of significant victories broke the Japanese offensive north-west of Hankow.

More recently our army achieved new triumphs in southern and western Shansi. A fact to be noted is that whereas at the beginning of the war the Chinese casualties in positional warfare were several times greater than those of the Japanese, recent battles have reduced the ratio to one to one.

This, combined with many other indications, points to the conclusion that the fighting quality of the Japanese army is deteriorating, while that of the Chinese troops is improving.

Nobody, perhaps, is more painfully aware than the Japanese Government itself of the weakening of the military power of its forces. Disillusioned in their hope of wiping out the Chinese army, which is no longer a mercenary force, but is fast becoming an army of free citizens, the Japanese imperialists are now trying to subdue our country by means of a political stab in the back.

Having failed to crush our fighters, they are trying to destroy our national united front by intriguing with traitors like Wang Ching-wei.

"PEACE NEGOTIATIONS"

Their previous attempts to weaken our determination with slogans for "peace negotiations", which were equivalent to surrender, having proved completely fruitless, the Japanese imperialists and their henchmen are now trying to use vicious anti-Communist slogan to disrupt our unity. They are even presenting Wang Ching-wei as the real leader of the Kuomintang.

These lies will deceive no one. Wang Ching-wei was expelled from the party in January and his arrest was ordered in June. With the elimination of this traitor, and of the band of scoundrels that followed him, the Kuomintang and Communist Party of China are able to co-operate much more closely with each other and with all anti-Japanese forces in the country.

Even the "provincial" militarists, whom the enemy has so often tried to seduce from their allegiance to the National Government, joined in the demand for the arrest of Wang Ching-wei. This shows that the endeavour of the Japanese imperialists to destroy us politically is as much of an illusion as was their previous hope of crushing us by a swift military blow.

THE NEW CHINA

Many of our foreign friends are asking: "After the war, what?" How is China changing during the war? Will she return to her former semi-feudalist pattern? Or will she, in some mysterious fashion, "go Red"?

Neither is true. The Kuomintang and the Communist Party of China have from the very beginning of their first period of collaboration, some sixteen years ago, recognized as a common national programme the San Min Chiu I, or Three People's Principles, of Dr. Sun Yat-sen. Their adherence to this programme was reaffirmed when the two parties once more entered into close co-operation at the commencement of the present war of resistance.

The leaders of the two parties are determined that the National United Front shall continue, and that both during and after the war this common national programme shall be carried out. They will remain united in the supreme common effort to achieve national reconstruction after the struggle is ended. The root of this co-operation is still inadequate, we see to-day, in the course of our war of resistance, the beginning of the realization of Dr. Sun Yat-sen's economic ideals.

Rents and taxes have in many places been reduced. Waste land has been put to tillage. Our wartime reconstruction is taking place under state auspices and through organization, like the industrial co-operatives, in some cases organized along democratic lines.

After the war, we look forward to a type of economic development in which all groups

SUPPLEMENT

Hongkong Daily Press.

Registered as a Newspaper at the General Post Office in the United Kingdom.

ESTABLISHED 1857

15-19 Marina House, Queen's Road Central, G.P.O. Box No. 1.

HONGKONG, FRIDAY, JULY 7, 1939.

SUPPLY OF WAR MATERIALS TO CHINESE ARMY

FULL TEXT OF WRITTEN JUDGMENTS OF CHIEF JUSTICE AND MR. JUSTICE J. A. FRASER

Appeal Against Decision Of Puisne Judge Dismissed

Written judgments in the case in which an appeal against the decision of Mr. Justice R. E. Lindsell in striking out part of a statement of defence in connection with an action arising out of contracts for the supply of war materials to the Chinese Army was dismissed by the Full Court recently, were delivered at the Supreme Court on Wednesday.

The appellant was Henri Krebs, trading as Maurice Augsburg and Company, Gloucester Building, and the respondents were the Headquarters of the Fourth Route Army Corps of Canton.

The appeal was heard by the Chief Justice, Sir Atholl MacGregor, and Mr. Justice J. A. Fraser.

Appellant was represented by the Hon. Leo D'Almada e Castro, Jnr., and Mr. H. C. Macnamara, instructed by Mr. H. J. Armstrong, while Mr. Eldon Potter, K. C., instructed by Mr. Sidney Ng Quinn, appeared for respondents.

Delivering judgment, the Chief Justice said:—

On August 30, 1937, and September 22, 1937, the Plaintiffs-Respondents and the defendant-appellant entered into two contracts, the earlier for the supply to the plaintiff of ten thousand gas masks at a price of \$19 per mask complete c.i.f. Hongkong, and the latter for the supply of eight thousand high explosive shells at a price of £42,000.

The gas masks were duly landed in Hongkong but proved on inspection not to be up to sample. The plaintiff-respondents thereupon rejected the whole consignment, and duly issued a writ claiming from the defendant-appellant the sum of \$190,000 which they had paid for the masks.

STATEMENT OF CLAIM

The statement of claim is in the following terms:—

1. The plaintiffs are a department of the Republic of China of the City of Canton, in the province of Kwangtung in the Republic of China.

2. The defendant, Henri Krebs, carries on business at second floor Gloucester Building, Victoria in the Colony of Hongkong.

3. By a contract in writing dated August 30, 1937, and made in English and Chinese, the defendant

equal amount of the said debt due to the defendant viz: \$190,000.

Particulars

By a contract in writing dated September 22, 1937, the defendant sold to the plaintiffs 8,000 75 mm. shells at a price of £42,000.

The plaintiffs have failed to pay to the defendant the said sum of £42,000 or any part thereof.

"NO REASONABLE DEFENCE"

The plaintiffs-respondents, thereupon, applied to have paragraph 4 of the statement of defence struck out on the grounds that the said paragraph discloses no reasonable defence and is frivolous and vexatious.

This application was made under section 176 of the Code of Civil Procedure, which is verbatim the same as Rules of the Supreme Court Order 25 rule 4, but the inherent jurisdiction of the Court was also invoked a most valuable adjunct to the Rules inasmuch as under section 178 the question is practically concluded by what is contained in the pleadings, when the inherent jurisdiction is invoked all the facts can be gone into and affidavits as to the facts are admissible Remington v. Scoles (1897) 2 Ch. D. 1.

THE CONTRACT

The contract on which the allegations in paragraph 4 of the statement of defence are based reads:—

This contract is made in Canton this 22nd day of September 1937, between Mr. Henri Krebs representing Mears, Maurice Augsburg & Co. on the one part and hereinafter referred to as the seller and the Headquarters of the Fourth Route Army at Canton on the other part and hereinafter referred to as the buyer, whereby the seller agrees to sell and the buyer agrees to buy the undermentioned goods at the terms and conditions as follows:—

8,000 (Eight Thousand) pieces High explosive shells 75 mm. double fuse for Schneider field gun—from stock.

Price: 25.60d. (Five pounds Sterling and six shillings) per piece c.i.f. Hongkong.

Delivery: Immediately from stock at the factory in Europe.

Shipment: by the first available steamer transit to take six weeks.

Payment: by the first available deposit 10 per cent (One hundred per cent) of this contract, namely £22,400 (Forty-two thousand and four hundred pounds Sterling) with the Banque de l'Inde et Chine, Shanghai or Hongkong for the payment of these goods in Europe against shipping documents.

Inspection: The buyer will have to inspect the goods immediately upon arrival in Hongkong. Should the goods not be exactly as per this contract, the Seller will refund to the buyer the total amount of this contract.

This contract is made in duplicate, one copy for the buyer and one copy for the seller.

TRUE EFFECT

Mr. D'Almada has argued ingeniously that this is not an ordinary c.i.f. contract, despite the clear statements "C.I.F. Hongkong" and "payment against shipping documents."

In his submission, the true effect of the contract is that the parties intended that the property should pass as soon as the seller appropriated 8,000 shells to the contract at the factory and had then despatched to the port of shipment. The payment clause, he argued, only qualified the time for payment and did not affect the question of the passing of the property in the goods.

The property had passed to the buyer on appropriation of the goods, and the seller reserved a lien for the purchase price. The facts therefore showed a proper case for a court, for goods bartered and sold, and the paragraph complained of disclosed a proper claim by way of set-off.

C.I.F. CONTRACT

With this plausible contention I am unable to concur. The contract in all essentials is an ordinary c.i.f. contract.

When then does property pass under a c.i.f. contract? The law is thus stated in the Hailsham Edition of Halsbury's Laws of England, Volume 29 paragraph 295. "When an agreement is made for the sale of specific goods in a deliverable state on c.i.f. terms it is not an unconditional contract, because the commercial meaning of c.i.f. imports an undertaking by the seller to do something more, namely, to put the goods on a ship; and this postpones the passing of the property until the goods are shipped by the seller."

AN AUTHORITY

The authority for that statement of the law is Biddle Bros. v. E. Clements Horst Co. which is reported in 1914, 1 K.B. at p.214, the proceeding in the Court below, in the same volume, at p.234—the hearing in the Court of Appeal, and again in 1912 A.C. at p.18

FRIDAY, JULY 7, 1939.

when the House of Lords reversed the decision of the Court of Appeal and restored the judgment of the trial judge, Kennedy L.J. in his judgment, which was adopted with warm approval by the House of Lords, said:

"Let us, however, leave out of sight altogether for the present all question of usage or judicial recognition of usage."

The application of the principles and rules of the Common Law, now embodied in the Sale of Goods Act, 1893, to the business transaction embodied in the c.i.f. contract appears to me to be decisive of the issue between the parties."

Let us see, step by step, how according to those principles and rules the transaction specified in such a c.i.f. contract as that before us is and, I think, must be carried out in order to fulfill its terms.

LEGAL RESULTS

"At the port of shipment—in this case San Francisco—the vendor ships the goods intended for the purchaser under the contract."

"Under the Sale of Goods Act, 1893, section 18, by such shipment the goods are appropriated by the vendor to the fulfillment of the contract, and by virtue of section 32 the delivery of the goods to the carrier—whether named by the purchaser or not—for the purpose of transmission to the purchaser is *prima facie* to be deemed to be a delivery of the goods to the purchaser. Two further legal results arise out of the shipment:

"The goods are at the risk of the purchaser, against which he has protected himself by the stipulation in his c.i.f. contract that the vendor shall, at his own cost, provide him with a proper policy of marine insurance intended to protect the buyer's interest, and available for his use, if the goods should be lost in transit; and the property in the goods has passed to the purchaser, either conditionally or unconditionally."

BILL OF LADING

"It passes conditionally where the Bill of Lading for the goods, for the purpose of better securing payment of the price, is made out in favour of the vendor or his agent or representative: see the judgments of Bramwell L.J. and Cotton L.J. in *Mirabita v. Imperial Ottoman Bank*, 1878 3 Ex.D.164."

"It passes unconditionally where the Bill of Lading is made out in favour of the purchaser or his agent or representative, as consignee. But the vendor, in the absence of special agreement, is not yet in a position to demand payment from the purchaser; his delivery of the goods to the carrier is, according to the express terms of section 32, only *prima facie* deemed to be a delivery of the goods to the buyer;" and under section 28 of the Sale of Goods Act, as under the Common Law (an exposition of which will be found in the judgments of the members of the Exchequer Chamber in the old case of *Startup v. Macdonald & Son* and *G. 593*), a tender of delivery entitling the vendor to payment of the price must, in the absence of contractual

stipulation to the contrary, be a tender of possession.

Cargo At Sea

"How is such a tender to be made of goods afloat under a c.i.f. contract? By tender of the Bill of Lading, accompanied in case the goods have been lost in transit by the Policy of Insurance."

"The Bill of Lading in law and in fact represents the goods. Possession of the Bill of Lading places the goods at the disposal of the purchaser."

"A cargo at sea," says Bowen L.J. in *Sanders v. Maclean*, 11 Q.B.D. 327, 341, "while in the hands of the carrier, is necessarily incapable of physical delivery. During this period of transit en voyage, the Bill of Lading by the law merchant is universally recognised as its symbol, and the endorsement and delivery of the Bill of Lading operates as a symbolical delivery of the cargo."

Actual Delivery

Property in the goods passes by such endorsement and delivery of the Bill of Lading, whenever it is the intention of the parties that the property should pass just as under similar circumstances the property would pass by an actual delivery of the goods.

And for the purpose of passing such property in the goods and completing the title of the endorsee to full possession thereof, the Bill of Lading, until complete delivery of the cargo has been made on shore to someone rightfully claiming under it, remains in force as a symbol, and carries with it not only the full ownership of the goods but also all rights created by the contract of carriage between the shipper and the shipowner.

"It is a key which in the hands of a rightful owner is intended to unlock the door of the warehouse, floating or fixed, in which the goods may chance to be."

Goods Never Shipped

In the present case it is admitted that the goods were never shipped and that, therefore, the essential shipping documents never came into existence. What then is the Seller's remedy against the Buyer?

Two authorities cited to us by Mr. Potter in the course of his argument are to my mind conclusive on this point. The headnote to the earlier case *Stein Forbes & Co. v. County Tailoring Co.* (1917) 26 L.J.C. P.448 reads:—

"By a contract in writing, dated September 17, 1915, the plaintiffs agreed to sell and the defendants to buy, 'about 12,000 dressed sheepskins for prompt shipment and about 33,000 ditto for shipment as quickly as possible,' c.i.f. London or Liverpool. Payment: 'Net cash against documents on arrival of the steamer.'

"The goods were shipped by three different steamers. The first two shipments were taken up and paid for, but the defendants refused to take up the documents for the third shipment on the ground that they had never been tendered to them,

and that they were not informed of the vessel's arrival until a date outside the contract date for delivery."

Breach of Contract

Held, that in these circumstances the defendants had been guilty of breach of contract. Held, further, that the plaintiff were entitled to recover damages for the breach of the contract, but not the price of the goods, since the price was not payable on a day certain irrespective of delivery within section 49, sub-section 2 of the Sale of Goods Act, 1893, and the property in the goods had not passed."

Later Case

The later case *Colley v. Overseas Exporters* (1921) 3 K.B. 302 was a case of an f.o.b. Contract but for our present purposes the decision therein is entirely in point. In that case, unascertained goods were sold f.o.b.

The Seller sent them to the port of shipment but owing to the failure of the Buyer to name an affective ship, he was prevented from putting them on board.

In these circumstances the Seller sued on a specially endorsed writ for the price of the goods. McCardie J. held that this default of the Buyer did not have the effect of placing the seller in the same position as if he had put the goods on board, and that in the absence of an agreement that the price should be payable on a day certain irrespective of delivery he could not sue for the price.

Count For Goods

In the course of his judgment, the learned judge deals with the count for goods bargained and sold on which paragraph 4 of the statement of defence in this case is based.

"In former days an action for the price of goods would only lie upon one or other of two counts. First, upon the indebitatus count for goods sold and delivered, which was pleaded as follows: 'Money payable by the defendant to the plaintiff for goods sold and delivered by the plaintiff to the defendant.' Bullen and Leake, *Principles of Pleading* 3rd Edition, p.38.

This count would not lie before delivery *Boulton v. Arnott* (1833) 1 Cr. & M. p.333. The count was applicable where upon a sale of goods the property had passed and the goods had been delivered to the purchaser, and the price was payable at the time of action brought. Secondly, upon the indebitatus count for goods bargained and sold, which was pleaded as follows: 'Money payable by the defendant to the plaintiff for goods bargained and sold by the plaintiff to the defendant.' Bullen and Leake p.39.

"This count was applicable where upon a sale of goods the property had passed to the purchaser and the contract had been completed in all respects except delivery, and the delivery was not a part of the consideration for the price of a condition precedent to its payment. If the property had not passed the count would not lie: *Atkinson v. Bell* (1828) 8 B. & C. p.277. In my view the law as to the circumstances under which an action will lie for the price of goods has not been changed by the Sale of Goods Act, 1893."

Appeal Dismissed

In the present case I am satisfied that the property in the goods should be dismissed with the subject matter of the con-

tract had not passed to the buyer, and the count on which the defendant appellant founded his set-off does not lie. The seller's remedy is by way of an action for damages for breach of contract and such a claim for an unliquidated sum cannot be made the subject of a set-off.

In my judgment, the learned judge was right in striking out paragraph 4 of the statement of defence as disclosing no reasonable cause of action.

This appeal is dismissed with costs.

MR. JUSTICE FRASER

Mr. Justice J. A. Fraser, in his judgment, said:—I have had the advantage of reading the judgment which has just been delivered by the learned Chief Justice, with which I agree.

Set-off is a creation of Statute governed by section 3(3) of the Law Amendment Ordinance, No. 2 of 1901, which closely follows the terms of section 39 of the Judicature Act, 1925, and by Order **XIX**, rule 3, which is applied to Hongkong by section 4 of the Code of Civil Procedure.

I have not been contended that these provisions can be construed so as to put an unliquidated claim on the same footing as a liquidated claim for the purposes of set-off and in fact the appellant has framed his pleading in the form of a liquidated claim.

Now in the letter written by Mr. Krebs on October 26, 1917, he says that he is compelled to inform the buyer that damages which will be asked against his failure to fulfil his contract will amount to H.K. \$325,000, and the amount which is sought to be set-off is £42,000 or the equivalent of H.K. \$677,647.06.

First Indication

There is the first indication that the appellant is asking for something which in law he may be unable to maintain.

Further, counsel for the appellant very frankly said at the outset that he was not in a position to counterclaim, since the Fourth Route Army was part of the Government of the Republic of China, and that may be some indication of the reason which induced the plaintiff to plead a debt, for which a set-off has since the Statute of George 2 been allowed, rather than damages which it seems are not even now allowed unless they are liquidated damages.

I am unable to see that any other construction can be put upon the contract made between Mr. Krebs and the Fourth Route Army on September 22, 1937, than that it is an ordinary C.I.F. contract, or that the appellant has any remedy in debt but only in damages.

I am of the opinion that this appeal should be dismissed with the subject matter of the con-

COMMONS' REQUEST FOR ASSURANCE ON TIENSIN

LONDON, July 6 (Reuter)—In the House of Commons yesterday, Mr. R. A. Butler, Under-Secretary for Foreign Affairs, said that he had nothing to add to his answer of July 3 when he was asked for an assurance that the four Chinese in Tientsin would not be handed over until substantial proof of their guilt was furnished.

Mr. Noel Baker (Lab.) asked the Government to bear in mind the lamentable effect which would be produced in China, India and throughout the East if an assurance was not given.

Mr. Butler replied that this was one of the aspects of the question for discussion during the negotiations and he recalled that there was no question of handing over these four Chinese pending the negotiations.

Mr. Wedgwood Benn (Lab.) asked if the reference to this incident by the Lord Chancellor last night had been made on the Government's authority.

Mr. Butler said he had not seen it.

CONTINUATION WANTED

Mr. Geoffrey le Mander (L) asked Mr. Butler to confirm that the issues to be discussed were confined to the local issue in Tientsin.

Mr. Butler referred him to Mr. Chamberlain's statement in which he said that local issues would be discussed.

Mr. Wedgwood Benn's reference was to a speech made by Lord Maugham at the Lord Mayor's dinner at Mansion House to the judiciary.

The Lord Chancellor, responding to the toast of His Majesty's Judges, dwelt on the equality of British justice wherever it was administered under the folds of the British flag.

ALLEGED CRIMINALS

One illustration, and the most striking of all, he said, was that if a powerful foreign Government many thousands of miles away should demand, the handing over by the outpost of the Empire some alleged criminals of a race foreign to our own, and we should take the view that the demand was not in accordance with the law, the men would not be delivered up until the legal requirements were complied with. These things were done because they were right. The law in our state, while we were in a legal requirements were complied with.

CHINA WAR FINANCE

(Continued From Page 1)

issued on the eve of the second anniversary of the present conflict.

Dr. Kung points out that all Japan's attempts to undermine China's currency have signally failed and that, far from being financially embarrassed, China paid out not less than \$530,000,000 for the services of external and internal obligations.

Cogent Reasons

While admitting that China's financial problems are many in this time of stress, Dr. Kung gives cogent reasons why the country will be able to endure a protracted war better than Japan.

The chief of these is the vast natural resources of China's vast hinterland, coupled with which are the people's progress towards political unification, their loyal support of the Government's policy and the spontaneous and worldwide sympathy for China's just cause.

Dr. Kung emphasizes the careful management of China's war finance and success with which the country was able to combat sinister Japanese attempts to confuse her currency position.

China's Finance Minister pays due and warm appreciation of the friendly assistance which the United States and Great Britain have extended to the country in her present struggle for national existence in the matter of credits.

Debt Service Intact

He also refers to China's determination, throughout the present crisis, to retain the confidence of friendly and sympathetic nations by scrupulously living up to her obligations. Her debt service, consequently, remains intact, despite the hardships imposed on her Government and her people.

In the face of this national effort in the cause of justice and right, the Finance Minister is confident that a new China will emerge from her present struggle—an orderly, progressive and peace-loving country, able to co-



Emil Ludwig, author and biographer, who in the autumn will publish a book about the Duke of Windsor.

612 KILLED: U.S. HOLIDAY CASUALTIES

Accidents, Shootings And Floods

NEW YORK, July 6 (Reuter)—Deaths during the four-day Fourth of July National Holiday totalled 612, compared with 517 last year.

Only small quantities of milk for hospital use had entered the British Concession since July 1 and the British Consul-General had taken up the matter with the Japanese.

General Position

The General position remained as Mr. Chamberlain had stated on June 23.

Mr. le Mander asked if the Government was satisfied that, pending the Tokyo negotiations, everything that can, and will, be done for the Britons in Tientsin to receive the protection from such indignities and that they received all the food they require.

Mr. Butler: The Government will certainly do its best to effect this result.

Customs Revenue

Asked to give particulars of the manner in which Customs collections and revenue was collected in Tientsin and Chinwangtao and whether these were being held or remitted against the loan obligations in North China, Mr. Butler said that the Japanese authorities were holding the revenue in suspense account at the Yokohama Specie Bank on behalf of the Inspector General of Customs.

COLIJN ASKS TO BE RELIEVED OF TASK

AMSTERDAM, July 6 (Reuter)—Dr. H. Colijn, who resigned from the post of Prime Minister on Friday, to-day called on Queen Wilhelmina and asked to be relieved of the task of forming a new Government. The previous Government resigned owing to differences regarding the 1940 budget.

PEIPING EXCHANGE CONTROL EXTENDED

(From "Hongkong Daily Press" Special Correspondent)

TIENSIN, July 6—The Peiping "Provisional Government" issued a proclamation this afternoon extending exchange control to all exports. The new regulation will become effective as from July 17.

A statement issued by the "Federal Reserve Bank" declares the exchange rate at 1.2d., at which rate most business is at present done on the link system through the Japanese banks' official rate of 8-1/4d.

The "Provisional Government" promises to allocate a portion of exchange for foreign remittances to families abroad.

NO GENERAL EVACUATION OF FOOCHOW

The naval authorities in Hongkong yesterday stated that there had been no general evacuation of Foochow.

H.M.S. *Duchess* and the s.s. *Sinkiang* of the China Navigation Co. Ltd., are anchored off Sharp's Peak, and will attend to the evacuation of British nationals should it become necessary.

operate with friendly powers in her development for the common benefit of the world and of her own people.

The full text of Dr. Kung's statement will be published in a special supplement of the "Hongkong Daily Press" tomorrow.

WHEN THETIS PLUNGED TO HER DOOM

LAST OF SURVIVORS GIVES EVIDENCE

Court Pays Fine Tribute To Lieut. Woods' Gallantry

LONDON, July 6 (Reuter)—In a quiet tone, Leading Stoker Walter Charles Arnold, the last of the four men to be saved from the ill-fated submarine *Thetis*, gave the public court of inquiry a graphic account of what happened when the submarine plunged to her doom, when the hearing was resumed yesterday afternoon.

He said that when they got to the spot where the diving trial was to take place, the engines stopped and they were told to prepare for diving.

He noticed one small leak in the deck head, but it was not serious and, while he was going to inspect the leak, there was a terrible rush of air from the foremost compartments and I heard people shouting from there to the control room to go to the surface:

WATER GUSHES IN

"I realized at once that there was a torpedo tube open, because that was the biggest hole in the ship forward and it must have been a big hole to cause such a rush of air."

"I saw several people, mostly Messrs. Crammel Laird's men, trying to shut the port door, No. 25. The water was splashing about the tube compartment and as they tried to get the door shut it came gushing through the door into the second compartment."

He then helped them to shut the bulkhead door. He felt no bump as the *Thetis* hit the bottom and the ship then rested at an angle.

He fired several smoke candles during the evening and more the following morning.

After 11 o'clock that night, the air became progressively worse and it was very bad when Capt. Oram and Lieut. Woods escaped.

SHORT CIRCUIT

A little water went into the main motors and a volume of smoke came from the door. This was due to a short circuit and those who had gas masks put them on, while the others put on their Davis apparatus.

At the conclusion of the evidence given by Lieut. Woods, Mr. Justice Bucknill expressed the appreciation of the court on the clear way in which Lieut. Woods gave his evidence and added that the only comment he had to make was that Lieut. Woods had not said quite enough about this really gallant way he had behaved afterwards.

The inquiry was then adjourned until to-day.

CABLES

CHINA WAR NEWS:

CHINESE ATTACK SOUTH OF CANTON: FIGHTING NEAR SAMSHUI IN PROGRESS

CHUNGKING, July 6 (Reuter)—The Chinese military spokesman, at a press conference, alleged that the Chinese forces had launched attacks on areas south of Canton, in the vicinity of Sunwei and Kongmouen, against the Japanese positions.

He declared that five new divisions were being sent from Japan to China, but expressed the opinion that the fresh troops did not represent reinforcements, but were probably replacements.

CANTON, July 6 (Reuter)—The Chinese forces have reached Lupao, about 25 miles north-west of Canton, where fighting is said to be progressing, according to an unconfirmed report from a Chinese traveller from Lupao.

He also stated that the Chinese were very active near Samshui and it is understood that the bus service between Lupao and Canton was suspended this morning.

Surprise Raids

YUNYUN, KWANTUNG, July 6 (Central)—Chinese guerilla units staged a surprise raid on Sunton, southwest of Tsengshing on Monday night.

After breaking into the town, they engaged in street fighting with the puppet troops and police. More than ten puppets were killed and one was taken prisoner.

The office of the so-called peace maintenance committee was wrecked.

It is stated that 248 were killed in motor accidents, 26 in train accidents, 145 drowned six killed in aeroplane crashes and 30 by shooting.

It is feared that between 40 and 50 were drowned in Morehead, Eastern Kentucky, as the result of a sudden flood following a cloud burst. At least 100 houses are believed to have been demolished in Morehead and two other towns virtually isolated.

Fatshan on the Canton-Samshui Railway

about 10 miles southwest of Canton, was the scene of a bitter night engagement on June 1. Chinese smashed into the town from several directions and challenged the Japanese to hand-to-hand fighting. More than thirty Japanese, including three petty officers, lost their lives while some ten Chinese were killed.

BRISK EXCHANGE

The Prime Minister's statement at question time in the Commons gave rise to a brisk exchange of supplementary questions.

Mr. Hugh Dalton asked: "Is it true, as stated in the press that one of the outstanding difficulties related to the new proposals put forward by the Government for a further extension of the lists of the states to be guaranteed?"

Prime Minister: "I do not think it desirable to enter into details of what the differences are which are yet unsolved. It would be a mistake to suppose that difficulties arise from one side only."

GREAT FORBEARANCE

Mr. Dalton: "These negotiations have now been dragging on for three months. Does the Prime Minister realise that he has been treated with great forbearance in the House and in the country?"

Mr. Pilkington (Conservative for Widnes): "Is the Prime Minister aware that there is doubt beginning to grow in this country whether the Soviet Government wants this treaty?"

Mr. Vyvyan Adams (Conservative for Leeds, West) asked if the Government had considered sending a Cabinet Minister to Moscow.

No further answer was given by the Prime Minister.

FRONTIER FEDERATION

PARIS, July 6 (Reuter)—M. Pietri, diplomatic commentator of "Le Jour" and "Echo de Paris," states that the Moscow talks were the main items on the agenda of the meetings of the Cabinet yesterday morning and evening, and that, as a result, Mr. Strang has been asked to remain in Moscow waiting for a definite answer from the Soviet Government within twenty-four hours.

M. Pietri also contends that, if the talks break down, the Franco-Soviet Pact will have to be denounced.

WISH FATHER TO THOUGHT

BERLIN, July 6 (Reuter)—President Roosevelt has suddenly again ousted Mr. Neville Chamberlain as war monger No. 1, since the President's utterances on the Neutrality Bill, according to the semi-official "Deutsche Dienst," which professes to regard American neutrality with indifference, except insofar as it is exploited by the President.

He should like to leave the American people in no doubt that President Roosevelt's intention in inciting against the German people.

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THE HONG KONG
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OUTLOOK IN CHINA

TWO ADDRESSES IN LONDON

Neutral Legislation In U.S.

PRESIDENT'S VIEWS OPPOSED

WASHINGTON, July 6 (Reuter)—After his return from Hyde Park, President Roosevelt lunched with the U.S. Secretary of State, Mr. Cordell Hull, and it was reliably learned that they discussed "the questions of peace and neutrality." The President also conferred with the Democratic leaders of Congress, Mr. Barkley and Mr. Rayburn, as to the best means of securing an early enactment of the neutrality legislation and trying again regulatory currency powers.

The Senate's postponement of the neutrality proposals until Saturday was apparently due to pressure by the isolationist Senators, who are now engaged in sounding public opinion and watching the mail carefully for deciding just how far they can oppose the President.

According to Senator Pittman's office, it is hoped that the Committee will have the bill to report to the Senate in about a week's time, but whether this will be a variation of the Bloom Bill or something fresh is not yet known.

Opposition Views

High sources have branded Mr. Hoover's assertion, in the "American Magazine," that the United States should not attempt to prevent the "inevitable readjustments of the peoples," as "particularly irresponsible and mischievous."

The isolationist member, Mr. Hamilton Fish, declared that the House of Representatives would never give up its determination to guard United States neutrality and would not permit President Roosevelt to intervene in Europe.

On the other hand, administration quarters report that a survey of senatorial opinion indicates that President Roosevelt's neutrality stipulations may eventually be met, even if several weeks of debate is necessary.

Another Delay

WASHINGTON, July 6 (Reuter)—Another delay was encountered by the administration for the revision of the neutrality legislation when the Senate Foreign Relations Committee postponed until Saturday consideration of the Bloom Bill as approved by the House of Representatives, because several members are also on the finance Committee, which is busy with other work.

Senator Pittman stated that he was not perturbed by the delay and emphasized that the administration forces intended to demand a final show down for their proposal to repeal the arms embargo.

The new Japanese inspector, who would rank second to the chief of Police, would work in conjunction with the Japanese Consular Police. His duty would be to advise the chief of Police on police matters.

At present the chief of Police is assisted by a foreign Inspector and a Japanese Sub-Inspector.

Food Shortage

The food shortage in Kulangsu, brought about by the Japanese blockade, is daily growing more acute. Fresh meat and vegetables are scarce and prices have, in many cases, more than doubled during the six weeks of the blockade.

Foreign residents are coming to rely more and more on tinned foods, while the great majority of the 60,000 Chinese on the island are forced to live on a bare minimum.

The Municipal Council have bought supplies of wood and are issuing ration tickets to the Chinese.

Meanwhile, the Japanese-controlled bread in Amoy continues to saddle the Council with all the blame for the present

TIENTSIN: ITS POSTS AND STAMPS

With the eyes of the world on the Chinese Treaty Port of Tientsin which has recently been the scene of a blockade of the British and French Concessions by the Japanese, at the time of going to press still in force, it is interesting to consider what part Tientsin has taken in philately, and whether it is possible to find some reminders of this ancient city in our stamp albums.

In all six European countries have established post offices in Tientsin from time to time. These may be considered in the order of their establishment.

British Post Office

The first "Foreign" Post Office to be opened in Tientsin was British. It is thought that there was a Consular Office here in the eighteen sixties, but there is no conclusive evidence to this effect. A proper post office was opened in 1883, but this was a failure; a Consular Office functioned from 1882 to 1890, but no special postmarks were used during this



French Post Office

A French post office was established here in 1889 and continued to function down to the 31st of December, 1922, when under terms of the Washington Conference, the then remaining Foreign post offices in China, the French, British, and Italian, were closed. From 1889 till 1894 French stamps were used, but in the latter year these were overprinted "Chine" in order to overcome the difficulties of exchange. These in their turn were superseded in 1902 by stamps in the contemporary "Blanc," "Mouchon," and "Merson" types but inscribed "Chine." These continued to be used during the life of the French Post Office. Postage Due stamps of France were similarly overprinted "Chine" in 1901, and in 1903 a provisional

GENERAL

THE SERVICES

ROYAL NAVY

RESERVE AT THE NORE

Captain G. H. Paulkner, D.S.C., has been appointed to the Cruiser Squadron for duty as Senior Officer of the Escort West at the Nore, in succession to the late Captain F. R. M. Johnson. There are some 28 vessels at present in reserve commission at the Nore, including five cruisers and 13 frigates leaders and destroyers.

INSTRUCTIONAL CRUISES

The minesweepers Saithorn and Alresford, attached to the Signal and Navigation Schools at Portsmouth, are to make independent cruises from July 4 to August 2. The Saithorn will visit Chatham, Guernsey, Portland, Devonport, Tenby, Penzance, Falmouth, and Dartmouth. The Alresford is to go to Grimsby, Leith, Tobermory, Polhey, Dartmouth, and Portland.

COMMAND OF THE TAKU

Lieutenant-Commander W. S. Hall has been appointed to the command of the submarine Taku, in succession to the late Lieutenant-Commander R. N. Garnett who was lost in the Theta. Lieutenant-Commander Hall specialised in submarines in 1926 and since 1931 has commanded H.48 at Portland, and the Rainbow in China, where he also served as staff officer (operations) to the Captain of the 4th Submarine Flotilla in 1934-35.

ROYAL MARINE PROMOTIONS

The present system of automatic promotion to commissioned officer from warrant rank at 10 years' seniority in the Royal Marines is to be abolished, and by 1942 a zone system of selective promotion will be introduced in its place. The zone will extend from six to 10 years' seniority as warrant officer. Warrant officers Royal Marine Band must have served three years at sea as warrant officer. Promotion to Lieutenant quartermaster or equivalent rank is already by selection.

GOOD SERVICE PENSION

Engineer Vice-Admiral Sir Robert Dixon, K.C.B., has been awarded a Good Service Pension of £200 a year, from May 8, in the vacancy created by the death of Engineer Vice-Admiral Sir Henry Oram, K.C.B.

NAVAL APPOINTMENTS

The following appointments are made by the Admiralty:—
Supt. Capt.—H. S. G. Colen, M.B., to Victory for R.N.E., and for duty with Supt. R.A. R.N. Hospital, Haslar, as Naval Health Officer. Portsmouth Command (July 10).
Lt. St. G. S. Goodwin, M.B., to President for R.N.C. Greenwich (July 28) as Prof. of Hygiene and Director of Medical Studies (Aug. 4).
Cdr.—J. P. de W. Kitcat, to Excellent (June 28).
Lt.-Cdr.—E. H. Mann, J. C. Hampshire, to Osprey for training (June 23); J. W. Grant, D. C. Kinloch, to Victory for R.N.E. (June 28).
Act. Lt.—W. H. Crawford, to Ark Royal (June 28).
Act. Sub-Lt.—A. T. Sangster, appt. to Dryad cancelled.
Act. Sub-Lts (A)—M. S. Godson, J. V. Hartley, F. A. Lawson, W. H. Stevens, J. A. Welsby, to President for R.N.C. Greenwich, for No. 20 E. and R.F.T.S. Gravesend (June 28).
Mids (A)—C. C. Baldwin, A. Bulmer, A. W. D. Beale, H. G. K. Bramah, R. C. Charles, P. C. S. Chilton, D. B. Delfaless, D. S. Edmondson, L. A. Edwards, B. F. Grigson, R. F. Heare, J. H. Jefford, A. F. Keith, M. J. Lithgow, D. J. R. Martin, B. H. C. Nation, P. C. Nicholson, R. G. Oakshott, D. B. A. Smith, A. G. L. Suttor, C. Treen, A. B. R. Watts, to President for R.N.C. Greenwich, for No. 20 E. and R.F.T.S. Gravesend (June 28).
Cdr. Gunner (T)—F. A. Refell, to Hibernian (June 28).
Gunner (T)—A. J. Pty. to York (July 18).

ROYAL NAVAL RESERVE

Lts.—E. B. Clark, W. H. Barker, promoted to Lt.-Cdr. (seny. respectively June 20 and 24).

Indian Post Office

In July, 1900, an Indian Post Office operating with the troops engaged in the Boxer campaign was opened in Tientsin. Special stamps of India overprinted "C.E.F." (Chinese Expeditionary Force) were used, and two postmarks are known to have been used here to cancel them. One is inscribed "F.P.O.5" above date, and the other "Base Office" above date also; Tientsin was the advanced base of the troops advancing on Peking.

When the Foreign post offices in China were closed down, detachments of the Indian Army were left to guard the route from Peking to the sea. One of these detachments is still located at Tientsin, and the "F.P.O.5" postmark is still used on Indian stamp overprinted "C.E.F." Stamps of Hong Kong are also known with this postmark, but the Indian cancellation must have been applied either accidentally or by favour, as the Indian Post Office had never been under the administration of the postal authorities at Hongkong.

Italian Post Office

The last "Foreign" post office to be established in Tientsin was that set up by the Italian authorities in 1903. Ordinary Italian stamps were used at this office up to May, 1912, when a special issue of Italian stamps overprinted Tientsin and surcharged in Chinese currency were introduced, and the post office thrown open to the public. These were used till the closing of the Italian Post Office at the end of 1916.

German Post Office

A

German post office was opened at Tientsin on August 1st, 1893, and ordinary contemporary stamps of Germany were used here till 1900 when the "Germany" and accompanying high value types of German stamps were issued overprinted "China." In 1905, stamps in the same types but inscribed "Deutsches Reich" and also surcharged in Chinese currency were issued, and these were issued down to the time of the closing of the office in 1916. These were, of course, general issues for use in all the German Post Offices in China, but there was also a provisional separate issue made in Tientsin which is of considerable interest.

B

In the year 1900, the postmaster at Tientsin took over a stock of unoverprinted German stamps from the field post offices engaged in the Boxer Campaign, and in order to discourage speculation he overprinted these by means of a handstamp with the word "China" in black. These are extremely scarce stamps and greatly sought after by collectors to-day.

C

Local Issue of Stamps

D

In addition to the special issues of postage stamps made by the authorities controlling the various foreign post offices in Tientsin, a local issue was alleged to have been made in 1895. Stamps were actually prepared and sold extensively to collectors, but the issue was entirely bogus and was not issued by any competent authority. These bogus stamps may also be found overprinted "Postage Due."

E

We sincerely hope that the Japanese blockade of our concession in Tientsin will be a dismal failure, but if it should function even for a short time, there is a possibility that there may be more local issues for Tientsin, this time not bogus, but issued by either the British or French beleaguered there. Collectors will do well to be on the look out for such an eventuality, but are advised to remember the earlier bogus issue and to "look before they leap."

F

J. J. C. MacMillan, formerly a police officer in Hongkong, was charged before Mr. R. Edwards at the Central Court yesterday with being a vagrant in the Colony. He was committed to the House of Detention.

G

Imperial Airways bring India, Burma, Siam, Malaya, within easy reach. Six days' luxury flying takes you to England. 4-engined flying-boats, smoking rooms, spacious soundproof saloons, promenade decks, hot meals during flight. Fares include all meals, hotel accommodation at night stops, and even tips.

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Radio Programmes

HONGKONG

Z On Wavelengths of 355.
B metres (845 k.c.s) 31.49
W metres (9.52 megacycles).

PETER GRACEY'S SECOND TALK ON GREAT COMPOSERS

Request Classical Programming
12.00 to 12.20 p.m. Relay of Service of Intercession, from St. John's Cathedral.

12.30 p.m. Mildred Bailey (Vocal) and Teddy Foster and His Kings Of Swing.

With A Banjo On My Knee—Quick-step (film "Banjo on my Knee"); Where the Lazy River Goes By—Blue (film "Banjo on my Knee"); Teddy Foster and His Kings of Swing. They Say—Fox-Trot; Love Is Where You Find It—Fox-Trot (film "Garden of the Moon"); Mildred Bailey (Vocal) and Her Orchestra. Take Another Guess—Fox-Trot—Teddy Foster and His Kings of Swing. Lover, Come Back To Me (Romberg); From the Land of the Sky Blue Water (Cadmian)—Mildred Bailey (Vocal) and Her Orchestra. It Happened Down In Dixieland—Fox-Trot; Pagan Love Song—Fox-Trot—Teddy Foster & His Kings of Swing.

1.00 p.m. Local Time Signal and Weather Report.

1.01 p.m. Variety with Cliff Connolly, Alleyne and Leonhardt, Arthur Askey and The Boswell Sisters.

Two Heads Against The Moon (Adams, Ager); When April Comes Again (from "The Hollywood Revels"); Cliff Connolly (Tenor) with Piano. Passaged (Delibes; arr. Leonhardt); Destiny—Waltz (Baynes arr. Alleyne); Alleyne and Leonhardt (Two Pianos); Travlin' All Alone (Breen).

The Boswell Sisters (Vocal) with Orchestra. Have A Bit Of Pity On The Crooner (Askey); Woof! Yap! Bow-Bow-Wow (Evans and Others); Arthur (Askey (Vocal) with Piano. Mood Indigo (Ellington); Sentimental Gentleman from Georgia (Parish); The Boswell Sisters (Vocal) with Orchestra.

1.30 p.m. Reuter and Ruby Press, Weather Forecast and Announcements.

1.40 p.m. Rachmaninoff—Concerto No. 2 In C Minor, Op. 18.

Sergei Rachmaninoff (Piano) and the Philadelphia Symphony Orchestra conducted by Leopold Stokowski.

2.15 p.m. Close down.

6.00 p.m. Three Quarters of an Hour of Dance Music.

Fox-Trots—You Turn The Tables On Me (from "Sinx, Baby, Sinx"); The Stars Weep—Jan Garber and His Orchestra. Fox-Trots—Mine's A Hopeless Case (from "Over She Goes"); I Breathe On Windows (from "Over She Goes")—The B.C.C. Dance Orchestra. Waltzes—The One Rose, Secret Rendezvous—Victor Young and His Orchestra. Fox-Trots—On By (Hugo); Seat Singing—Sue The Krakajax. Fox-Trots—Ostrich Walk; Bluin' The Blues—Original Dixieland Jazz Band. Tangos—Haces El Noyo! La Cancion De La Rumba; Estribillo Canta-Do por Carlos Lafuente. Fox-Trots—Lost; No Greater Love—Guy Lombardo and His Royal Canadians.

6.45 p.m. London Relay—Addie Ross in "Female Sette."

A One-Woman Revue. Cast: an Old Woman; a Young Man; a Buxom Woman; a Glamorous Woman; a Landlubber Woman; a Small Boy; a Small Girl; a Singer. All parts played by Addie Ross.

7.00 p.m. London Relay—Under Big Ben.

By Howard Marshall.

7.15 p.m. Closing local Stock Quotations.

7.17 p.m. Variety with Jerry Colonna, Curtis and Ames, Billy Bissett & His Orchestra and Others.

Let's Go Ballyhoo (Browning and Others); All Because You (Browning and Others)—Browning and Star (Duetists); with Piano. All Alone In Vienna—Fox-Trot; Everything You Do—Fox-Trot—Billy Bissett and His Orchestra. Cheer Up (from the film); You Can't Pull The Wool Over My Eyes (Ager and Others)—Curtis and Ames (Vocal Duets) at the Piano. Sonny Boy—A Vocal Burlesque (de Sylva and Others); Jerry Colonna (Comedian) with Orchestra. Alice Blue Gown (Tierney; McCarthy)—Guy Lombardo and His Royal Canadians. The Spider And The Fly—Fox-Trot—The Mist Herd Quartet, Du Soleil, Dame Ses Yeux (Claret); Je Crois N'Avoir Jamais Aime (film "Prémire")—Dame (Vocal) with Orchestra. Rainbow On The River—Fox-Trot (from the film); On A Little Bamboo Bridge—Fox-Trot—Billy Bissett and His Orchestra.

8.00 p.m. Local Time Signal, Weather Report and Announcements.

8.03 p.m. Next week's programme.

8.06 p.m. Louis Kentner at the Piano.

Waldersausen (List); Rondo In D Major (Mozart-K.485).

8.15 p.m. London Relay—Cricket—Gentlemen v. Players.

A commentary during the third day's play by P. G. H. Fender from Lord's Cricket Ground, London.

8.30 p.m. London Relay—Golf—The British Open Championship.

An account of the morning's play from the Royal and Ancient Club, St. Andrews.

8.45 p.m. Studio—Short Biographical Studies of Great Composers by Peter Gracey. No. 2: Handel.

9.15 p.m. London Relay—The News.

9.30 p.m. London Relay—More Food for Thought.

Short talks on matters of topical interest.

9.45 p.m. London Relay—Sports News and Market Notes.

9.50 p.m. A Request Programme (Classical).

The Gentle Maiden (Boulton-Somerville); Passer By (Purcell).

Dennis Noble (Britten) with Orchestra. The Lass With The Delicate Air (Michael Arne)—Nan Maryel (Soprano) with Piano. Rondina On A Theme By Beethoven (Kreisler).

Submarines: Phoenix.

Destroyers: Delight, Scout.

Foreign men of war: American Pillarbury, Tulsa; French: Argus.

Trade Pacts With Japan

CONTINUATION NOT FAVOURED

SHANGHAI, July 6 (IHT)—

Two recent reports from member nations of the British Commonwealth, decidedly unfavourable to prospects of continued favorable trade agreements with Japan, have been interpreted locally as having close connection with the present blockade of Tientsin.

The Tokyo Foreign Office has instructed Consul-General Masatoshi Akiyama, at Sydney, to hurry negotiations for the renewal of the Japan-Australia trade agreement.

The expiration date of the trade arrangement was June 30. Japanese officials have observed that the Australian Government is showing no inclination at all to take a definite attitude on renewal.

Postponement Planned

It is likely that the Canberra Government is planning to postpone coming to an agreement on the trade arrangement, whereby Japanese textiles are purchased in return for the sale of Australian wool, until it learns whether England is planning economic retaliation for the British army blockade of the British Concession at Tientsin.

Not knowing how the Tientsin issue will develop, Tokyo has instructed Mr. Akiyama to urge the Australian Government to renew the trade agreement as quickly as possible.

Japan bought 300,000 bales less of Australian wool than had been expected.

The treaty did not provide for a specific amount of wool to be purchased by Japan, but stipulated that two-thirds of the wool Japan purchased abroad should be from Australia.

Cotton Cloth Exports

Japanese exports of cotton cloth to Australia during 1938 amounted to roughly 35,000,000 square yards and that rayon and staple fiber cloth exports together contributed roughly another 35,000,000 square yards, and observes that this was far below the agreement level of 51,250,000 square yards each of cotton cloth and rayon and staple fiber textiles.

The British Indian Government is considering eliminating the most-favored-nation clause from the Indo-Japanese trade agreement, reached early last October.

BROADCASTING REPORT FOR JUNE

Actual hours of transmission totalled 436, of which 223 were devoted to European programmes and 213 to Chinese programmes, as follows:

ZBW (EUROPEAN)

Morning transmission including Church Relays 752
Evening Transmission 1472

223

During the month apart from recorded programmes the following items were broadcast:

Studio Concerts, 18.

Studio Talks, 3.

General Knowledge Bee, 1.

Local Relays (including Church Services), 12.

Daventry Relays (including News, Cricket Relays and their Majesties tours in Canada and U.S.A.), 120.

Sunday Evening Epilogues, 4.

Children's Concerts, 5.

ZEK (CHINESE)

Morning transmission including Church Relays 63

Evening transmission 150

213

During the month apart from recorded programmes the following items were broadcast:

Studio Concerts, 31.

Theatre Relays, 5.

Studio Talks (including Mandarin Lessons), 18.

Children's Concerts, 9.

New Licences issued during June, 1939—301.

Renewals of Licences during June, 1939—310.

Total Licences issued during 1939—837.

Progress and prosperity is in evidence in practically every hitherto Kweilow, declared Mr. Wu Ting-chang, Chairman of the Kweilow Provincial Government, who recently returned to Kweilow from an extensive inspection tour.

Mr. Wu was particularly impressed with the rapid rural development after the rigorous suppression of opium and the extensive establishment of co-operatives. The patriotic feeling of the people was also deeply impressed Mr. Wu, who revealed

that many able-bodied men have voluntarily enlisted in the army.

MEN OF WAR IN HARBOUR

The following warships were in harbour yesterday:

Gunboats: Tarantula, Seaweed, Robin, Cicada.

Submarines: Phoenix.

Destroyers: Delight, Scout.

Foreign men of war: American Pillarbury, Tulsa; French: Argus.

RADIO & FINANCE

RAUB AUSTRALIAN GOLD MINING CO.

General Meeting Of Shareholders

SHANGHAI, July 6 (IHT)—The forty-fifth General Meeting of Shareholders of The Raub Australian Gold Mining Company Limited was held at the Board Room, Builders Exchange, Wharf Street, Brisbane, on 26th June, 1939.

The Chairman stated that the result of the year's operations showed a net profit of £68,581, as compared with £43,580 for the previous year. Before arriving at the profit there had been charged against Revenue £28,355 spent on development and prospecting, and £13,000 provided for depreciation of plant and other fixed assets. It was pleasing to note the considerable increase in net profit, which was mainly due to the recovery of gold by the new Re-Treatment Plant.

The Tokyo Foreign Office has instructed Consul-General Masatoshi Akiyama, at Sydney, to hurry negotiations for the renewal of the Japan-Australia trade agreement. The expiration date of the trade arrangement was June 30. Japanese officials have observed that the Australian Government is showing no inclination at all to take a definite attitude on renewal.

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NOTICE TO CONSIGNEES

As a result of the development and prospecting work pursued during the year, the ore reserves at the close of the period were substantially increased and, taking into account "Possible Reserves" represented more than eighteen months' supply of ore. The campaign to prospect known lodes and to prove the extension of the western lode, now being worked so profitably in the existing Raub Shaft, would be continued.

Japan bought 300,000 bales less of Australian wool than had been expected. The treaty did not provide for a specific amount of wool to be purchased by Japan, but stipulated that two-thirds of the wool Japan purchased abroad should be from Australia.

COTTON CLOTH EXPORTS

Japanese exports of cotton cloth to Australia during 1938 amounted to roughly 35,000,000 square yards and that rayon and staple fiber cloth exports together contributed roughly another 35,000,000 square yards, and observes that this was far below the agreement level of 51,250,000 square yards each of cotton cloth and rayon and staple fiber textiles.

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MONEY AND EXCHANGE

CLOSING QUOTATIONS

JULY 6, 1939

On London:	Telegraphic Transfer, 1/2 23/33
Bank Bills, on demand 1/2 23/33	
Credits 4 months' sight 1/2 23/33	
On Shanghai:	
On demand	218
On Singapore:	
On demand	52 1/4
On Japan:	
On demand	105
On India:	
Telegraphic Transfer, 1/2 1/8	
Bank Bills, on demand 28 11/16	
Credits, 60 days' sight 29 3/16	
On Batavia:	
On demand	63 7/8
On Paris:	
Bank Bills, on demand 1083	
Credits 4 months' sight 1135	
On Saigon:	
On demand	108
On Manila:	
On demand	37 4/3
On Bangkok:	
On demand	151 1/3
Sterling Notes:	
Bank Buying Rate ... 1/2 29/32	
Bar Silver per oz. 18	

Market Report

FROM ROZA BROS.

The price for Ready Silver rose 1/8 to 18d but the Forward rate was unchanged, the quotations being 18 and 17 1/2 respectively. Silver advices reported India and Speculators as having operated both ways. The market was steady. The market closed dull with India as a buyer for Forward delivery. American Silver was quoted at 39 3/4 for Spot.

The London/New York cross-rate was quoted at 488.12. The New York/London rate was quoted at 488.1/8.

Market

Steady but quiet.

Sterling

A small business was done at 1/2.13/16 for August delivery. The market closed at 1 p.m. with sellers at 1/2.13/16 July, probably August, 1/2.25/32 September/October and 1/2.3/4 November/December, buyers at 1/2.27/32 for cash, 1/2.13/16 September and 1/2.25/32 December.

U.S. Dollars

Nothing doing. There were sellers at 28 7/8 July, 28 13/16 August and 28 3/4 September, buyers at 28 15/16 Cash, 28 7/8 August and probably 28 13/16 September.

Shanghai Dollars

Probable sellers at 224 for Spot.

Shanghai Market

Sterling

The last rate received was sellers at 6.9/16 for Spot and 6.29/44 July. The highest rate done for July was 61/2 U.S. Dollars. The last rate received was 12.13/16 sellers for Spot and 12.8/16 July. Steady.

Afternoon Market

Steady but quiet.

Sterling

The market closed with sellers at 1/2.13/16 July, probably August, 1/2.25/32 September/October and 1/2.3/4 November/December, buyers at 1/2.27/32 for cash, 1/2.13/16 September and 1/2.25/32 December.

U.S. Dollars

The market closed with sellers at 28 7/8 July, 28 13/16 August and 28 3/4 September, buyers at 28 15/16 Cash, 28 7/8 August, and probably 28 13/16 September.

Shanghai Dollars

224 1/2 sellers for Spot.

Shanghai Market

Unchanged. Quiet.

New York Exchange

New York, July 5 (Reuter).

T.T. on London (Opening Rate).

488.1/8.

INDIA RUPEE PAPER

Bombay, July 5 (Reuter).

Govt. 34% Rupee, 95-02-0.

RESERVE BANK OF INDIA STATEMENT

Calcutta, July 5 (Reuter).

June 23 June 30

Notes in circulation (including Notes held in the Banking Department) ... 20,992 21,077

Rupee Coin and Bullion in India ... 6,866 6,950

Gold Coin & Bullion in India ... 4,154 4,154

Securities (Indian Government) ... 3,735 3,735

Securities (British Government) ... 5,950 5,950

mid.

ex div

DOW JONES AVERAGE

High-Low Dow Jones Average, July 5, 1939.

FINANCE

HONGKONG SHARE QUOTATIONS

STOCK EXCHANGE STOCKBROKERS' ASSOCIATION

THURSDAY, JULY 8, 1939.

Buyers Sellers Sales Nominal

BANKS

HONGKONG & SHANGHAI BANKING CORPORATION

Authorised Capital \$50,000,000
Issued & Fully Paid-Up \$30,000,000
Reserve Funds:
Sterling £6,500,000
H.K. Currency Reserve \$10,000,000
Reserve Liability of Proprietors \$20,000,000

Head Office: HONG KONG

Board of Directors:

A. L. Shields, Esq., Chairman.

W. H. Lock, Esq., Deputy Chairman.

Hon. Mr. J. K. Bousfield,

A. H. Compton, Esq.,

Hon. Mr. S. H. Dodwell,

D. F. Landale, Esq.,

G. Miskin, Esq.,

K. S. Morrison, Esq.,

Hon. Mr. T. E. Pearce,

H. V. Wilkinson, Esq.,

Sir Vandeleur M. Grayburn,

Chief Manager.

Branches:

Amoy Ipoh Penang
Bangkok Johore Rangoon
Batavia Kobe Saigon
Bombay Kowloon San
Calcutta Kuala Lumpur Francisco
Canton London Singapore
Chefoo Lyons Sourabaya
Colombo Malacca Sungai
Dairen Manila Patani
Foochow Muar Swatow
Haiphong Muar Tientin
Hamburg Mukden Tokyo
Hankow New York Tsingtao
Harbin Peiping Yokohama
Hongkew Peiping

CURRENT ACCOUNTS opened in LOCAL CURRENCY and FIXED DEPOSITS received for one year or shorter periods in LOCAL and OTHER CURRENCIES on terms which will be quoted on application.

Also up to date SAFE DEPOSIT BOXES in various sizes TO LET

Hong Kong, 5th June, 1939.

HONGKONG SAVINGS BANK

The Business of the above Bank is conducted by the HONGKONG & SHANGHAI BANKING CORPORATION. Rules may be obtained on application.

For the HONGKONG & SHANGHAI BANKING CORPORATION.
V. M. GRAYBURN,
Chief Manager.
Hong Kong, 25th Feb., 1939.

BANK OF EAST ASIA, LIMITED

Authorised Capital \$10,000,000
Paid-Up Capital 5,693,600
Reserve and Undivided Profits 2,883,932.01

Head Office: HONG KONG
No. 10 Des Voeux Road, Central.

Board of Directors:

Sir Shouson Chow, Chairman
Li Koon Chan, Esq.
P. K. Kwok, Esq.
Wong Yen Tong, Esq.
Chang Ching Shuk, Esq.
Kan Tong Po, Esq., Chief Manager.
Li Te Fong, Esq., Manager.

Branches and Agencies:

Amoy Batavia Kowloon Penang Singapore
Bengal London Bangkok Kuching Swatow
Calcutta Malacca San Fran. Sydney
Hankow New York Saigon Tsimshian
Hawkei Peiping Vancouver
Kowloon Peiping Shanghai

Every description of Banking and Exchange business transacted. Loans granted on approved securities. Current Accounts opened in LOCAL CURRENCY and FIXED DEPOSITS received for one year or shorter periods in LOCAL and FOREIGN CURRENCIES on terms which will be quoted on application.

SAFE DEPOSIT BOXES TO LET.
KAN TONG PO,
Chief Manager.

BANK OF CHINA

Specially Chartered by
THE NATIONAL GOVERNMENT
OF CHINA AS AN
INTERNATIONAL EXCHANGE
BANK

PAID-UP CAPITAL \$40,000,000
(BRANCHES ALL OVER CHINA)

Owing to our numerous Branches in China and connections in the principal Commercial Centres of the World, we are able to extend to our Clients special facilities for Domestic and Foreign Banking and Exchange.

Head Office: SHANGHAI
Hong Kong Branch:
4, QUEEN'S ROAD, C.
South China Office:CANTON KONGMOON
SWATOW TOISHAN
SHIUCHOW KINGCHOW

We also handle the issue of Bonds and other Public Funds of the Chinese Government both at Home and Abroad.

SHOU CHEN, Manager.

R. K. STOCK EXCHANGE

Enquiries are broadening and with buyers being encouraged to absorb shares a little under nominal rates, there was a better volume of business transacted during the day.

BUYERS

H.K. Bank, \$1320.
Union Ins., \$417.
Providents, \$41.
H.K. Tramways, \$16.
China Lights (Old), \$8.15.
Cements, \$12.60.
Watsons, \$8.10.
Wing On (H.K.), \$41.
H.K. Govt. 4% Loan 4% p.m.
H.K. Govt. 3% Loan par.

SALES

H.K. Bank, \$1330.
H.K. Wharves, \$108.
Providents, \$4.55.
H.K. Lands, \$55.
H.K. Tramways, \$16.75.
H.K. Electrics, \$54.
Cements, \$12.
Watsons, \$8.20.

PHILIPPINE GOLD MINING QUOTATIONS

Atoks 19
Antamoks 19
Baguio Gold 20.
L.X.L. 43
Ipo Gold 17
Itogon Mining 23
Masbate Consolidated 10.
Mine Operation 13.
North Camarines 25
Paracale Guminaus 16.
San Mauricio 92
Surigao Consolidated 20.
Suyoc Consolidated 12.
United Paracale 40.
Mindanao Motherlode 081

FOREIGN EXCHANGE and General Banking Business transacted.

CURRENT ACCOUNTS opened and FIXED DEPOSITS received for One Year or shorter periods in Local or Other Currencies at rates which will be quoted on application.

SAVINGS ACCOUNTS also opened in Local Currency and Sterling with interest allowed at rates obtainable on application.

The Bank's Head Office in London undertakes Executor and Trustee business and claims recovery of British Income Tax overpaid on terms which may be ascertained at any of the Agencies and Branches.

R. A. CAMIDGE,
Manager.

HONGKONG SHAREBROKERS' ASSOCIATION

Volume of Business Transacted on Thursday, May 6, 1939.

Electric 200 \$ 54.50
Wharves 100 108.00
China Lights (O.) 600 8.20
China Lights (O.) 100 8.25
Trams 200 16.65
Cements 250 12.50
Antamoks 16,000 Ps.0.19
United Paracale 5,000 Ps.0.41
United Paracale 5,000 Ps.0.41

Interest Rates on Application.

SAFE DEPOSIT BOXES

This Bank is entirely owned by THE CHASE NATIONAL BANK, NEW YORK, with Resources over U.S.\$2,500,000,000.

D. M. BIGGAR,
Second Vice Pres.

LONDON METALS EXCHANGE

London, July 5 (Reuter).

COPPER

buyers sellers £ £
Standard, Cash 42-7/8 42-15/16
Standard, 3 months 43-1/8 43-3/16
Electrolytic 43-3/4 49

TIN

Standard, Cash 229-3/4 230
Standard, 3 months 223-3/4 223-7/8

LEAD

Foreign, Official Price 14-5/8 14-11/18
Foreign, Official 3 months 14-3/4 14-13/18

SPELTER

Ordinary, Official Price 14-1/8. 14-1/4
Ordinary, Official 3 months 14-3/8 14-7/18

FINAL AFTERNOON TRANSACTIONS

Tin, Standard, Cash, £230 sellers.

Tin, Standard, 3 months, £224-3/4 sellers.

LONDON GOLD

London, July 5 (Reuter).

Bar Gold, Fine per oz, 148-6/-

Dollar Parity, 1d. premium.

U.S. DOMESTIC SILVER PRICE

WASHINGTON, July 6 (Reuter)

The Monetary Bill, as passed by the Senate, provides for the price of domestic silver at 71.1 cents.

THE FINANCIAL PAGE

Since 1935 the German Railways have been experimenting with Buna, the synthetic German rubber product, for their rubber fittings for brakes, packings etc. The quality, both in regard to durability and adhesiveness has proved so satisfactory that the company now uses Buna as a matter of course instead of natural rubber. The brake cylinder sleeves used to be made of expensive imported hide are now also made of Buna.

THE Henschel locomotive manu-

facturers have recently produced a new three-cylinder steam-lined engine which weighs 146 tons and has a speed of over 100 m.p.h. forwards and in reverse. This is the most powerful locomotive yet produced and will start her trials on the German railways in a few weeks time (T.O.).

FINANCE

SATISFACTORY SHIPPING

North German Lloyd Co's Annual Meeting

BREMEN, July 5 (T/Ocean)—German shipping to and from South America is entirely satisfactory in contrast with that to the east coast of North America and Australia, declared the Board of Directors of the North German Lloyd Steamship Company, Councillor Lindemann, at the annual meeting of the Board on Tuesday.

This action was taken following receipt of news that President Manuel Quezon had warned Filipinos against "selling their birthright to the Japanese". A formal resolution to this effect will be introduced by the local branch of the organisation at the national conference which will be held in Manila Grand Opera House some time this week.

In another resolution the organization proposed to launch a formal boycott of Japanese goods. The proposed resolution points out that the Japanese are trying to control the retail trade not only in Manila but also over the Philippines. Japanese goods should be boycotted because in their cheapness in price they undersell American and Philippine pine commodities.

Passenger Traffic

The political developments in 1938 have also resulted in a drastic drop in the passenger traffic, this being particularly true of the North Atlantic routes and the lines to the Far East where the uncertain situation makes firms reluctant to permit their employees to undertake lengthy vacation trips to Europe.

The fact that the returns from 1938 are only slightly lower than those of 1937 is due to the fact, according to the President, that the drops in the business do not become apparent on the company's books until about six months later.

Programme of Economy

Through the programme of economy and the elimination of all auxiliary expenditures, the North German Lloyd Company has been able to carry out extensive construction and renovation measures, he declared so that 60 per cent. of the Lloyd fleet is now less than ten years old.

A swing up in the Far Eastern shipping is anticipated now that the Spanish conflict is ended and the ships on the Far Eastern route will stop henceforth at Barcelona and Palma de Mallorca.

CONSIGNEES' NOTICES

NOTICE TO CONSIGNEES

OCEAN STEAM SHIP CO. LTD.

AND CHINA MUTUAL STEAM NAVIGATION CO. LTD.

CONSIGNEES per Co's Vessel

"EUMAEUS"

FROM UNITED KINGDOM

VIA SINGAPORE

are hereby notified that their cargo will be discharged at Holt's Wharf, Kowloon, where it will lie at consignee's risk and subject to terms and conditions of storage at Holt's Wharf.

Liverpool—A quiet tone has prevailed, although demand has shown some improvement with more interest taken in Manitos and Plates both by the U. K. and the Continent. The political situation in the Far East made sales more reserved and prices hardened, but the improvement was short-lived and values declined again to last week's level.

On the whole, North American weather has again been favourable, although rains have caused some interruption of harvesting of winter wheat. Black stem rust has been reported in parts of Kansas but it is thought that the crop is too far advanced for any widespread damage. Serious damage may, however, be caused if the rust spreads northwards into the Spring wheat area. The Spring belt has had beneficial rains although these have been unevenly distributed and some sections are still in immediate need of moisture.

In the Prairie Provinces of Canada, moisture is reported to be 100 per cent. of normal and prospects are excellent. The cool, damp weather has checked the spread of grasshoppers.

There is a fairly large open position in July Liverpool and it is quite possible that tenders against this delivery may be heavy as there is a lot of Plate wheat about showing signs of not keeping too well. We should not feel disposed to defer transfers from the July position too long, despite the heavy forward premium.

Stocks of wheat in Liverpool: This week 505 loads; last week 702 loads.

Chicago—Quotations at first ruled steady but later fell away on the favourable crop prospects, hedging sales and reports of large Argentine shipments. The new crop is starting to move in fair volume but an appreciable amount of early wheat is being stored presumably against loan.

The trade is awaiting definite indications of new crop participation.

Winnipeg—The market has been very quiet with moderate selling on news of rains and cool weather in the Prairies.

MANILA'S RETAIL TRADE

Measures Against Japanese Control

MANILA, July 6 (T/Ocean)—Defensive measures against Japanese control of local retail trade, lumber industry and mining of base metals were made in the form of a resolution passed by the Manila branch of the Congress of Democracy and Collective Security.

This action was taken following receipt of news that President Manuel Quezon had warned Filipinos against "selling their birthright to the Japanese". A formal resolution to this effect will be introduced by the local branch of the organisation at the national conference which will be held in Manila Grand Opera House some time this week.

In another resolution the organization proposed to launch a formal boycott of Japanese goods. The proposed resolution points out that the Japanese are trying to control the retail trade not only in Manila but also over the Philippines. Japanese goods should be boycotted because in their cheapness in price they undersell American and Philippine pine commodities.

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 KWANTOWWAN, Hoihow & Pakhoi "SZECHUEN" ... On 7th July, 3 p.m.
 AMOY "ANHUI" ... On 8th July, 8 a.m.
 SWATOW & SHANGHAI "KAYING" ... On 9th July, 8 p.m.
 HAIFONG "KLIANGSU" ... On 9th July, 3 p.m.
 HAIFONG "CHEKING" ... On 11th July, 10 a.m.
 SWATOW, SHAI, TIENTSIN, W.H.W., CHIPOO & TIENTSIN "HOIHOW" ... On 18th July, 4 p.m.
 AMOY & SHANGHAI "TSINAN" ... On 13th July, 5 p.m.
 SINGAPORE, P.S. "SWETTINHAM & PENANG" "ANHUI" ... On 18th July, 8 p.m.
 HAIFONG "KUANGHOU" ... On 14th July, 2 p.m.
 SWATOW & SHANGHAI "KWANTUNG" ... On 14th July, 4 p.m.
 SHANGHAI "KALGAN" ... On 16th July, 3 p.m.
 SWATOW & SHANGHAI "SUYIANG" ... On 16th July, 4 p.m.
 HAIFONG & BANGKOK "SOOCHOW" ... On 18th July, 4 p.m.
 KWANTOWWAN & HAIFONG "JEAN DUPUIS" ... On 18th July, 4 p.m.
 SWATOW, SHAI, TIENTSIN, W.H.W., CHIPOO & TIENTSIN "YOCHOW" ... On 20th July, 4 p.m.
 HAIFONG & BANGKOK "KALGAN" ... On 27th July, 4 p.m.
 KWANTOWWAN & HAIFONG "JEAN DUPUIS" ... On 1st Aug., 4 p.m.

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Haihow, B. & S., July 8.
 Hsiung, Jardine's, July 17.
 Hulda Maerk, Jardine's, July 19.
 Iuam, Iuam, N. Y. K., July 18.
 Iuam, Iuam, N. Y. K., July 19.
 Iuam, Iuam, N. Y. K., July 20.
 Iuam, Iuam, N. Y. K., July 21.
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 Iuam, Iuam, N. Y. K., July 100.

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 Tainan, B. & S., July 12.

Chafuoo

Yatshing, Jardine's, July 7.
 Esang, Jardine's, July 9.
 Taksang, Jardine's, July 12.
 Hoihow, B. & S., July 12.

Chakang

Kwaihsing, Jardine's, July 14.

Chingwangtso

Ixion, B. & S., July 13.

Dairen

Fulda, Melchers, July 7.
 Ixion, B. & S., July 12.

Burgenland

Burgau, Melchers, July 19.

Augsburg

Augsburg, Melchers, July 24.

Portlaid

Portlaid, A. P. Lines, July 24.

Antenor

Antenor, B. & S., July 15.

Chitral

Chitral, A. P. Lines, July 24.

Gartrude

Gartrude Maerk, Jardine's, July 11.

Taiyin

Taiyin, Dodwell's, July 18.

Potier

Potier, Thoresen's, July 25.

Gertrude

Gertrude Maerk, Jardine's, July 11.

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SUNDAY, 8th July, 1939.

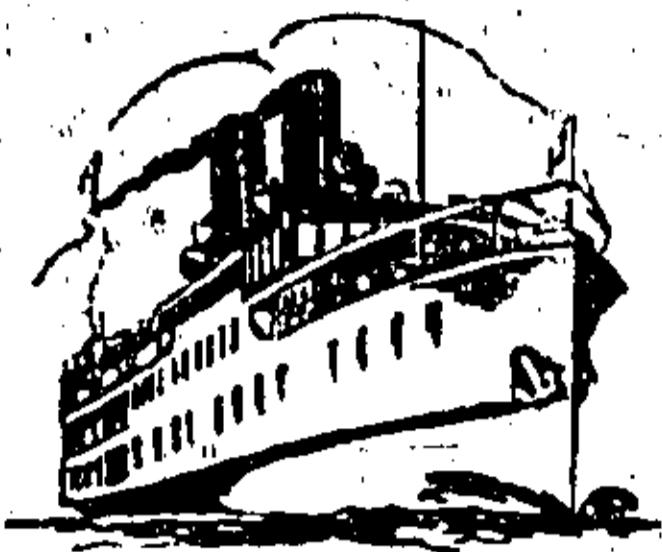
S.S. "TAISHAN"
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	Regensburg	Malts, Mars, Casablanca, Rotterdam, Hamburg, Bremen	Aug. 18
Straits & Ceylon	Gutenberg	Singapore, Penang, Balawan, Colombo	July 27
	Regensburg	Singapore, Balawan, Colombo	Aug. 18
Manila	Gutenberg	Manila	July 27
	Regensburg	Shanghai, Yokohama and Kobe	July 12
Shanghai & Japan	Regensburg	Shanghai, Yokohama, Kobe, Osaka	July 24
	Augsburg	Shanghai, Dairen, Taku, Tsingtao	July 24
Shanghai, North China & Japan	Regensburg	Saigon, Manila, Madang, Salamaua, Tulagi, Gizo, Rabaul, etc.	Aug. 15
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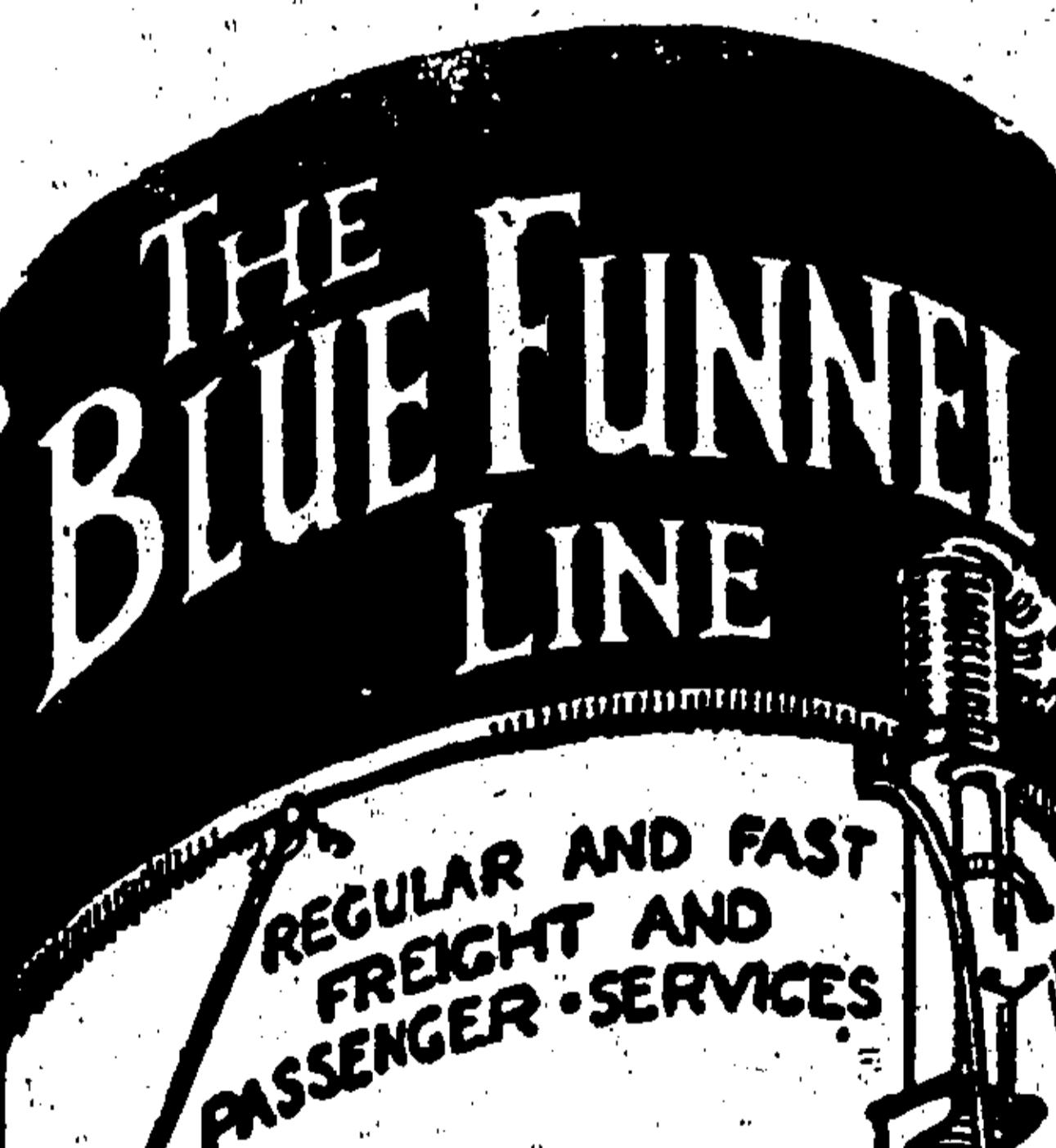
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Anniversary Message By Madame Sun Yat-sen

Continued from Page 8

A San Min Chu I China will provide ample scope for the investment of foreign capital. China welcomes foreign trade with, and investments by, all countries wishing to assist in her reconstruction.

Dr. Sun Yat-sen declared repeatedly, throughout the years of his leadership of the Kuomintang, that we should strive in every way to promote economic relations with foreign nations willing to deal with us on a basis of equality, non-aggression, and sympathy for our desire to bring China into her proper place as a member of the family of nations.

It should be clearly understood by those who, through malice or ignorance, paint the National United Front of the Chinese people a bright red, that it is precisely because this united front represents a real common effort of all parties, classes and nationalities for the common aim of emancipation that the Three People's Principles, which were first propounded as a programme for such united action, form an actual basis of its policy.

The Three People's Principles represent a programme for the national democratic revolution. Within this programme, the institution of private property will not be attacked or abolished. There is only one type of property that we will seize—the property of enemies and traitors.

SERIOUS

SHORTCOMINGS

I cannot but admit frankly that serious shortcomings have been handicapping the development of our national united front. The chief responsibility for these obstacles lies with a small number of conservatives among us who, on various pretexts but actually because they still do not understand the three great policies of Dr. Sun Yat-sen, have openly or secretly been reluctant to extend and consolidate our national unity.

In the execution of the programme of Armed Resistance and National Reconstruction, adopted by the Extraordinary Plenary Session of the Kuomintang in March, 1938, the deeds of these people have not agreed with their words. Democracy, which should have increased as the war progressed, has been checked in its expansion. In some places and to some extent, the democratic liberties which have been won by the people have again been reduced.

Such practices, if continued, will adversely affect the mobilization of our people for participation in the national struggle and make it difficult to suppress the ideology of the Wang Ching-wei group which leads to humiliation and surrender.

In the face of this crisis, I believe that all comrades faithful to the ideals of Dr. Sun Yat-sen must exert the maximum of effort to eliminate these shortcomings which threaten the certainty of our victory in the struggle for national emancipation.

PARTICULARLY APPROPRIATE

The anniversary of the outbreak of our war of resistance falls on July 7. It is symbolic that this day falls between the Fourth of July and July 14. This is particularly appropriate. Our national revolution, spurred to new progress by the fight against aggression which began at Marco Polo Bridge on July 7, 1937, combines the elements of the American Revolution which delivered the United States from their colonial bondage and the French Revolution which did away with the ancient regime.

Unless and until the Chinese people, one fifth of humanity win complete national independence and democratic freedom, the enormous productive forces of our country will not be liberated for the benefit of the entire world.

That is why the Chinese national revolution which is now going on is a necessary and inevitable stage in the progress of all mankind.

LIN SEN'S MESSAGE TO GENERALISSIMO

CHUNGKING, July 8 (Central)—On the eve of the second anniversary of the Sino-Japanese hostilities, Mr. Lin Sen, Chairman of the National Government, has sent a message to Generalissimo Chiang eulogizing his accomplishments.

The message says that under the able direction of the Generalissimo, the nation has made marked progress during the last year both as regards military operations and reconstruction work.

Chairman Lin says that the entire people are solidly behind their Generalissimo, while the sympathy and admiration of foreign Powers are likewise assured.

I would ask you to pay close attention to those Tories in the democratic countries who favour a quick termination of the war in the Far East because they are afraid that China will "go Red."

The ideas and activities of these gentlemen are not only harmful to our war of national emancipation but show a particularly muddle-headed approach to the problem of the defence of foreign interests in China, leading only to the sacrifice of these interests to Japan.

Is it not for the benefit of those who have fallen a prey to these delusions that the Japanese are using Wang Ching-wei to work openly "for peace" and "against Communism," while their real aim is to extinguish both China's independence and the state of

Japan?

In an account of the frontier clashes between Outer Mongolia and "Manchukuo" during the last few days, Tass declared that the Japanese-Manchurian troops considerably strengthened made an

CHIANG KAI-SHEK'S MESSAGE TO THE JAPANESE

(Continued from Page 1)

not changed his conviction, now shared by the entire Chinese nation.

The Generalissimo exposed the lies of endless victories and triumphs in China with which the Japanese militarists fed their people, by asking several pertinent questions. Where in the quick victory promised by the army and navy? Why has the half-year war now dragged on to one year and two years, with still no end in sight? Why is the heavy economic burden which every Japanese must shoulder, constantly increasing?

International intervention to impose "peace" at this moment would only help to fan the ambition of the aggressors. It would be an unwise step for the democracies to take because it would destroy their own defences in the Far East.

FAR EASTERN FRONT

China's war of national resistance is being fought in the interests of the defence of democracy throughout the world. It is in a very real sense, an important sector of the world-wide struggle between the democratic nations on the one hand, and the enemies of democracy on the other.

This is no idealistic slogan. The practical minds in the democratic governments know this only too well. It is realized in America, most of all, perhaps, in the War and Naval Departments in Washington.

The defeat of the Japanese in China will mean security for democracy in the Western Hemisphere, the menace to which is now so clearly realized that the United States specifically undertook responsibility for its defence at the recent conference at Lima.

I for one, firmly believe in the solidarity of world democracy. You, our friends in America, should press for the expression in your country's policy of the spirit of this ideal. It is an ideal which is one with your own tradition of democracy and internationalism, the tradition of Jefferson and Thomas Paine.

THE THREE PRINCIPLES

It is not for Japan to question the internal policy of neighbouring country. As to China's system of government, the Generalissimo pointed out that it is not Soviet, but is based on the late Dr. Sun Yat-sen's Three Principles of the People.

The ill-advised policy of the Japanese military, imposed on a deluded people by constant propaganda, is dragging the Japanese nation into a quagmire from which it is high time for the Japanese people to retrace their steps.

Two clear duties lie before every Japanese: First, to awaken from and thoroughly repent of their mistakes, and secondly to strive for a fundamental change in their national policy. They should know that the policy of aggrandizement is absolutely wrong and can lead them only to disaster.

Only an independent and powerful China, the Generalissimo said, can assure peace and order in East Asia, and only true peace and order in East Asia can assure happiness and prosperity to the Japanese nation.

If China had not resisted Japan's aggression but instead had fallen into the hands of the Japanese as a dependency, the unrest and hatred of her 450,000,000 people would rebound on Japan's strength and tranquillity and finally completely overturn the island empire.

GRANDIOSE DREAMS

China's resistance is of vast benefit to the Japanese people in that it provides the only way to shatter the grandiose dreams of the Japanese militarists and their delusion of an invincible Japanese army and navy. It gives an opportunity that may never be repeated for the Japanese people to save their nation and themselves by endeavour to reformulate their policy and call a stop to aggression in China.

Truth and righteousness are on the side of China. Even if the entire population of Japan is armed and fights against China, China shall not fail, but shall, in fact, feel more pity and sympathy for the Japanese people. The world is rapidly marching on, and the chance given to the Japanese to save themselves is fleeting. They can take it by repenting their past wrongs and re-adjusting their policies.

BURTON AND POSE LEAD GOLF FIELD

ST. ANDREW'S, July 6 (T/Ocean)—In the British Open golf championship (earlier scores of which will be found on Page 2) Burton with 72 and an aggregate of 142 and Pose 72 (143) lead the field. Other leading scores were Easterbrook 71 (145), Locke 75 (145), Sam King 72 (146), John Bulla 71 (148) and Sweeney 75 (149).

offensive on Monday in the region south-east of Lake Bulinor.

The total losses suffered by the enemy forces in three days Tass put at about 800 dead, as against 100 and 200 wounded on the part of the Soviet Outer Mongolian troops.

FOREIGN MAIIS

HONGKONG, FRIDAY, 7th JULY, 1939, 9.30 A.M.

Registered and Parcel Post Service to Swatow and Foochow is temporarily suspended.

Registered and Ordinary mail & Parcels (not Insured) will be accepted for Canton and despatched as circumstances permit.

Letters and Postcards for Europe (except Great Britain and Eire) and South America are forwarded "via Siberia" if so subscribed.

INWARD MAIIS

From Per Due

Canton..... Fatshan..... 7th July

U. S. A. Honolulu and Japan..... Pres. Pierce..... 7th July

Canton..... Tai Ping..... 7th July

Australia and Manila..... Canton..... 7th July

Haliphong..... Fatshan..... 7th July

U. S. A. Honolulu and Japan..... Pres. Garfield..... 7th July

Japan and Shanghai..... Straits..... 7th July

Africa Maru..... Burdwan..... 8th July

Shanghai and Amoy..... Tainan..... 9th July

Bangkok..... Kalgan..... 9th July

Shanghai and Amoy..... Tjibadak..... 9th July

Imperial Airways Direct Service—London date, 5th July.

Japan and Shanghai..... Manilla..... 10th July

Calcutta, Straits and Saigon..... Chenoniceaux..... 10th July

Shanghai and Swatow..... Gertrude Maerk..... 10th July

Haliphong Pakho, Hohow and Fort Bayard..... Kwangtung..... 11th July

Suiyang..... Deucalion..... 11th July

Japan..... Japan Maru..... 11th July

Cremer..... Cremer..... 11th July

Pan American Airways Direct Service—San Francisco date, 5th July.

Japan and Shanghai..... Manilla..... 12th July

Air France Direct Service—Paris date, 5th July.

Java and Manilla..... Straits..... 12th July